S. HRG. 101-259, PT. X

PREPARATION FOR THE 1990 FARM BILL

JOINT HEARING

BEFORE THE

SELECT COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

AND THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTY
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS
SECOND SESSION

ON

INDIAN AGRICULTURE AND NUTRITION

FEBRUARY 20, 1990
WASHINGTON, DC

PART X

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INDIAN AGRICULTURE AND NUTRITION

TUESDAY, FEBRUARY 20, 1990

United States Senate, Select Committee on Indian Affairs, Meeting Jointly With the Committee on Agriculture, Nutrition, and Forestry

Washington, DC.

The committees met, pursuant to notice, at 9 a.m., in room SR-332, Russell Senate Office Building, Hon. Daniel K. Inouye (chairman of the select committee) presiding.

Present or submitting a statement: Senators Inouye, Daschle, Conrad, McCain, Gorton, and Kerrey.

STATEMENT OF HON. DANIEL K. INOUYE, U.S. SENATOR FROM HAWAII, CHAIRMAN, SELECT COMMITTEE ON INDIAN AFFAIRS

The Chairman. In 1985, Congress appropriated funds to the Bureau of Indian Affairs [BIA] to address an emergency feed grain and hay shortage problem affecting Indian ranchers in northern plains states affected by the drought. In conjunction with this appropriation, Congress directed the BIA to prepare a report to the Congress on the state of Indian agriculture throughout the Nation. As a consequence of this directive, the BIA formed a National Indian Agricultural Working Group comprised of Indian farmers and ranchers in the 12 areas served by the Bureau. Their report was filed in December 1987 and the working group was succeeded by the Intertribal Agriculture Council, whose president, Robert Miller, is present today.

Since 1986, the BIA and the Department of Agriculture have worked closely, first with the working group, and now with the Intertribal Agriculture Council, to identify and solve problems specifically affecting Indian farmers and ranchers. While there have been some achievements, obviously much remains to be done. In this connection, I would note that as an outgrowth of the work of the Intertribal Council and the two agencies, the Department of Agriculture and the Department of Interior entered into an agreement in principle acknowledging the trust responsibility of the United States to the Indian tribes and acknowledging also that the Department of Agriculture is the lead agency of the Federal Government for providing effective and efficient coordination of Federal agricultural and rural development programs.

The purpose of our hearing this morning is to explore those problem areas that have been identified and determine how we may assist in solving these problems. Legislation is being prepared by the Committee on Agriculture, Nutrition and Forestry that will affect the Indian interests and can provide a means for addressing some of the problems. Other problems no doubt will have to be addressed through legislation in the Select Committee on Indian Affairs directed primarily to the BIA.

May I recognize Senator McCain.

STATEMENT OF HON. JOHN McCAIN, U.S. SENATOR FROM ARIZONA, VICE CHAIRMAN, SELECT COMMITTEE ON INDIAN AFFAIRS

Senator McCain. Thank you, Mr. Chairman. I am pleased to participate in this joint hearing with the Committee on Agriculture, Nutrition, and Forestry, to address the vital areas of concern to Native Americans. The reauthorization of the farm bill will provide tribes with an opportunity to improve their effective participation in all of the Department of Agriculture's programs. During today's hearing we will primarily examine four areas that play a critical role on Indian reservations. First, the increased demand for assistance by the Soil Conservation Service and the Agricultural Stabilization and Conservation Service by tribal groups as the value of that assistance becomes better understood.

Tribes need the expertise of the U.S. Department of Agriculture specialists to assist them in planning and managing their agricultural resources. Second, the reestablishment of agricultural extension agents at the reservation level would address many of the issues facing Native Americans. Tribes have indicated a strong need for extension education and home economic programs. Third, the lack of accessible agriculture credit continues to impede tribes from economic success in agricultural ventures. There is a need to explore innovative approaches to ensure a stable and appropriate level of credit to capitalize Indian agricultural development.

At present, the lack of accessible credit imposes unnecessary barriers to the full utilization of Indian agricultural land by Indians. And our fourth panel will provide recommendations on how to improve the quality of USDA's food subsidy programs. I am hopeful that this hearing will provide a foundation for improving the relationship between the BIA and the Department of Agriculture. More must be done to coordinate efforts to plan and implement applicable USDA programs on Indian lands. Ultimately, a candid understanding of the problems confronting Indian tribes and individual Indian farmers and ranchers should help us all to arrive at workable solutions.

In Indian country today, agriculture plays a major role in the social, cultural and economic wellbeing of Indian communities. We cannot plan for the future of Indian agriculture and nutrition without understanding where we are today. I look forward to working with the Committee on Agriculture to find ways to enhance the opportunities for Native Americans and Alaska natives in the fields of agriculture nutrition. Thank you, Mr. Chairman.

The Chairman. Thank you very much, sir.

Now may I call upon the first panel to provide an overview of agriculture and nutrition in Indian country. Dr. Bruce Gardner, Assistant Secretary for Economics, Department of Agriculture; Mr. Patrick Hayes, deputy Assistant Secretary for Trust and Economic Development, Department of the Interior, Bureau of Indian Affairs;

and Mr. Robert L. Miller, President of the Intertribal Agriculture Council of Beggs, OK. Gentlemen.

Welcome. Would you like to begin, Dr. Gardner?

STATEMENT OF DR. BRUCE GARDNER, ASSISTANT SECRETARY FOR ECONOMICS, DEPARTMENT OF AGRICULTURE, WASHINGTON, DC

Dr. **GARDNER**. Mr. Chairman, I appreciate the opportunity to testify on agricultural policy and the American Indian, particularly with reference to the 1990 farm bill. I would just like here to mention the highlights of the topics that are covered in more detail in my written testimony.

The **CHAIRMAN**. Before you proceed, may I assure one and all that all of your statements in total will be made part of the record.

Dr. **GARDNER**. Thank you. There are three main parts of the department's programs that have a special bearing on Native Americans. The first is the commodity programs that are carried out by the Agricultural Stabilization and Conservation Service. The second is the credit programs, particularly those of the Farmers Home Administration. The third is the food assistance programs that are carried out by the Food and Nutrition Service. In addition, the Soil Conservation Service, as Senator McCain mentioned, the Extension Service, Forest Service, Rural Electrification Administration also have special responsibilities with respect to Native Americans. But the 1990 farm bill issues concern mainly the first three that I have mentioned.

With respect to the commodity programs, there are special issues and problems in several areas. The first one is disaster assistance. Feed for livestock under the Indian Acute Distress Donation Program supplements the regular emergency feed programs and we feel that these programs have made a contribution to the problems they address. Second, there have been issues in specifying ASCS farms for purposes of the $50,000 payment limitation. The Census definition of a farm has clearly proven too restrictive for that purpose, and we think that we have made appropriate adjustments in that respect.

Another area is commodities that are of special importance to some Indian farmers, particularly the wool program. The administration's farm bill proposals do not involve changes in these areas except in the wool program where we recommend replacing the current payment system by the target price and deficiency payment approach that is similar to what we now do in the major crops. With respect to the credit programs, our 1990 farm bill proposals have a number of changes in Farmers Home lending which are intended to return these programs to their original purpose, which was as a temporary source of credit for viable farming enterprises that cannot obtain credit elsewhere.

Part of that thrust is a move from direct government loans to a Federal guarantee and interest rate assistance on commercial loans. Direct operator loans will still be made but only to beginning farmers and existing borrowers with a time limit on them. Direct farm ownership loans are still going to be made, and in this case we would like to target them to socially disadvantaged groups.

This, I think, is of special interest to Indians because Native Americans are one of the groups that is eligible for these specially targeted loans.

With respect to food assistance programs, the main topic that involves Indians specifically is the commodities delivered under the Food Distribution Program on Indian Reservations. This program has expanded rapidly and we have attempted to tailor it to the needs of the recipients. Our 1990 farm bill proposals include some minor changes in this program intended to make the program service the nutritional needs and food preferences of recipients better in the future than it has been able to in the past. We do not claim to have achieved perfection in any of these programs, and we would welcome suggestions for improvements. With that, let me stop and be ready to answer any questions.

The CHAIRMAN. Before we ask questions, may I call upon the full panel. Mr. Hayes.

[Prepared statement of Dr. Gardner appears in appendix.]

STATEMENT OF PATRICK HAYES, DEPUTY ASSISTANT SECRETARY, TRUST AND ECONOMIC DEVELOPMENT, DEPARTMENT OF THE INTERIOR, BUREAU OF INDIAN AFFAIRS, WASHINGTON, DC

Mr. HAYES. Good morning, Mr. Chairman, and thank you, Senator McCain. We have submitted our written testimony for the record and appreciate this opportunity to summarize our statement. However, before I begin my summary, I would like to advise the committee that I am accompanied by both BIA agriculture and credit program staff, who I may, with the committee's indulgence, ask to assist me in responding to any questions you may have.

We are of the opinion that Indian agriculture and all of its many facets represents the foundation upon which viable economic development for most Indian reservations throughout Indian country rests. Without a prospering reservation agriculture economy, many tribes find themselves in serious financial straits. The committees are to be applauded for these hearings for they should serve to refocus the attention of all of us involved in Indian matters back to that foundation, Indian agriculture. We all can reexamine our roles to determine what we can do to strengthen Indian agriculture and return it to prosperity.

At a similar hearing held by the Senate Select Committee on Indian Affairs on November 2, 1989, I provided testimony concerning the BIA agriculture programs, a short history of Indian agriculture, and summarized the importance Indian agriculture is to Indian reservation economies. My written testimony today is similar in nature and continues to lay the background for an informed response to the issues.

From the late 1940's through the early 1960's the BIA, like other segments of the Federal Government, intensified its agriculture related programs by hiring additional professional staff, rehabilitating existing agriculture facilities, developing new farmlands, and provided needed technical assistance to Indian operators engaging in farming and ranching. Starting in the mid-1960's under the Great Society programs, natural resource programs, particularly agriculture and ranching, took a back seat to industrial development and improved programs in the human resources arena. In the late 1960's and 1970's, oil, gas and coal resources were called upon to solve the economic programs facing some of the Indian communities.

Only recently have we recognized the importance that each of the above resources plays in the overall economic wellbeing of the reservation economy. Each effort contributes in its own way toward a stable and sound economy. Experience has shown us, as evidenced by the agricultural economic downturn from about 1983-84 to about 1987-88, that the foundation upon which viable reservation economic development must rest. Agriculture and other renewable natural resources must not be shorted or abandoned. No one segment of reservation resource can fully carry the day on its own. The integration of all reservation resources, the individual, the renewable and the non-renewable, need to be blended together.

The question remains, however, how do we achieve this blend? Dr. Eddie Brown, our Assistant Secretary for Indian Affairs, from the beginning of his administration has charted the course believed to blend these diverse and competing demands. The foundation upon which we intend to build any BIA program is determined through a recognition of tribal self-government and support for tribal governments. Dr. Brown throughout his tenure as Assistant Secretary had made a determined effort to meet with tribal governments soliciting their thoughts, ideas, and comments. We are pleased to discuss Indian agriculture programs here today with these tribal representatives where it can be viewed as a continuation of discussions begun earlier.

Dr. Brown has, in fact, met with and spoke to the Intertribal Agriculture Council at their annual meeting last November. He received extensive feedback at that meeting. As the chairman mentioned, Public Law 99-190 enacted in December 1985 set into motion a chain of events which resulted in a series of 32 recommendations, which as viewed by the National Indian Agriculture Working Group should improve Indian agriculture. The recommendations can be found in the final findings and recommendations, a report submitted to Congress in December 1987. Progress has been made in a number of areas identified by the working group. We believe that the recommendations constitute a blueprint for change and stabilization in the Indian agriculture community. We view the role of the BIA in the agriculture programs of credit, cooperative extension, range management and soil conservation, noxious weed and pest control, crop production, irrigation and agronomic practices, as one of management, development and technical assistance, these provided to tribal government and individual alloted landowners and land users. Plus we play a critical role as liaison with the U.S. Department of Agriculture staff in the field of agriculture.

As we move into the 1990's and toward the 21st century, management of the renewable natural resources will more and more be taken on by tribal governments through their self-determining actions. We are enthusiastic about the renewed congressional interest in Indian agriculture and feel this an excellent opportunity for all interested parties to work toward evaluating and resolving many issues which relate to Indian agriculture programs. This concludes my summary statement, and I would be happy to respond to any questions the committee may have.

The CHAIRMAN. Thank you, Mr. Hayes. May I now call on Mr. Miller.

[Prepared statement of Mr. Hayes appears in appendix.]

STATEMENT OF ROBERT L. MILLER, PRESIDENT, INTER TRIBAL AGRICULTURE COUNCIL, BEGGS, OK

Mr. MILLER. Thank you, Mr. Chairman, Senator McCain, we want to thank you for holding these hearings and inviting us to participate. As you know, we have some 52 member tribes from all over the United States and Canada that are vitally interested in Indian agriculture. It is appropriate that the first efforts at coordinating Indian policy with the policy for other segments of American society should start in the field of agriculture. Agricultural production is the main enterprise in Indian country. According to reports of the BIA, Indian agriculture production in 1984 was valued at almost 2½ times the value of all oil and gas income, and 9 times the value of all forest products.

Significant and far-reaching progress has been made over the past 2 years in breaking some of the barriers facing Native Americans involved in agriculture. In the last couple of years, we have seen the USDA Agriculture Stabilization and Conservation Service include Indian landowners in their county balloting process for the first time. Farmers Home Administration officials and ASCS officials have made on-site visits to some reservations to meet with local residents and tribal governments for the first time, and study the eligibility requirements for these programs.

We are asking for the help of both committees to ensure that these hearings mark the beginning of a new era which will see these barriers to Native American participation in the USDA farm program reduced or eliminated. A typical Indian agricultural producer does not own and cannot acquire the majority of his land base due to Federal trust restrictions, tribal government constitutions, restrictive land acquisition regulations, and the highly fractionated heirship status of a majority of allotted Indian lands. Therefore, the Indian owned farm and grazing land is generally leased through the BIA for a term not to exceed 5 years. These leasing regulations also specifically prohibit Indian preference in awarding leases and state that lease will not offer the current lessee a preference to renew. Expiring leases are advertised for lease to the highest bidder.

These barriers to achieving stable Indian operations and reasonable tenure on the land are at least partially responsible for poor enrollment of Indian lands in the farm programs. The tenure barriers alone are enough to leave the vast majority of Indian-owned farmlands ineligible for enrollment in the Conservation Reserve Program and prevent the development of crop base acreages for participation in the price support programs. The ASCS determinations of ineligibility for agriculture conservation practices, cost-sharing programs and difficulties in acquiring long-term development capital are often blamed on the Federal status of Indian lands.

Local ASCS committees insist that they will not cost share on Indian lands because they are, in the opinion of local committees, Federal lands. For too long, Federal Indian policies and Federal agriculture policies have gone off in widely divergent directions with the result mentioned above. For example, the BIA has unilaterally issued regulations on the administration of Indian lands which prevent Indian participation in USDA programs. Similarly, USDA has unilaterally interpreted legislation and drafted regulations in a manner which prevents Indian and tribal compliance with their program requirements. Some agencies of USDA have developed a local infrastructure which specifically omits tribal jurisdiction and reservation boundaries ensuring that Indians will not be notified or involved in USDA programs administered at the county level.

Additional barriers to Native American participation in various congressionally mandated farm programs include a generally poor understanding of the unique Federal trust status of Indian owned lands and tribal jurisdiction issues on the part of USDA and poorly developed and administered trust resources on the part of the BIA. As the testimony of various witnesses will indicate, there are many opportunities to promote important elements of the Federal Government's Indian policy and agriculture policy. But these can only be achieved through the joint efforts of the two committees and legislative action to force change in program administration.

We have three main recommendations for legislation in the farm bill. The IAC believes that it would help greatly to have a section of definitions. The first recommendation is that a definition section be included in the 1990 farm bill to formally define the relationship between the USDA, local governments, Indian tribal governments, tribal enterprises, and individual Indian producers. This simple addition would go a long way toward ensuring local jurisdictions carry out congressionally mandated national policy.

We suggest that the definition of Indian tribal governments include reference to their sovereign authority, self-determination and the government-to-government policies adopted by the United States in various policies, laws and treaties. By including these definitions used elsewhere in Federal code, tribal governments will be treated in a fashion similar to local governments such as county and states. However, with this status, tribal governments cannot participate as direct beneficiaries of USDA programs and maintain their sovereign status. Thus, tribes which are landowners and operate farming enterprises, or otherwise wish to participate directly in the USDA programs will have to separate their governmental functions from the commercial ventures and treat them as corporations or joint ventures.

Our second concern and wish would be the reestablishment of reservation extension agents to provide extension service to the reservation communities. This has been a major undertaking of the IAC for the past 2 years. We do not understand why the Cooperative Extension Service of the USDA has been allowed to be withdrawn from the Indian community nor do we understand the rationale that Federal services which are provided without charge to all other segments of the society must be paid for by the Indians.

We question the legality of specifically curtailing these USDA services in Indian reservations when the BIA withdrew monetary support of the USDA mainstream program. In attempting to reimplement this agriculture program of critical importance to the reservation community we have worked closely with USDA officials over the past 2 years. Last November, extension agents led by Dr. Hollis Hall and representatives of the IAC prepared a proposal to reestablish agents on the larger reservations. We have seen and support the proposal in this current format. We were told that this program proposal had been adopted by the official stance of USDA. Until last Thursday evening we were led to believe that the USDA would present this proposal here today, and we expected to strongly support the Secretary and the administration on this proposal.

This issue has been reviewed, studied, and debated for years. The bottom line is that Indian producers are excluded from receiving any meaningful extension support by the elected off-reservation county committees which controls extension service at the local level. Extension agents provide a key liaison with other USDA programs, coordinate important youth programs such as 4-H and FFA, and provide invaluable technical transfer to rural communities. Currently, in order to obtain this service, available without charge to all non-Indian communities, several tribes are using their own financial resources to pay Federally supported land grant colleges to provide them with an extension agent.

The remedy to this situation is to reestablish the program of agriculture extension agents to serve these Indian reservations and tribal jurisdictions with sufficient acreage or population to be roughly comparable to counties in size and complexity. We therefore formally request that the Congress direct the USDA to implement its proposal to establish extension services for Indian agriculture producers.

Third, self-determination and government-to-government relationships. We understand this existing Federal policy toward Indian tribes is to foster a government-to-government relationship and assist when requested in achieving tribal self-determination goals. Since this policy reflects laws passed by Congress, it applies to all branches of the Federal Government, not just the BIA. The USDA must be informed of its responsibilities under the policy and the existing law should be applied to USDA programs in the same very immediate and practical ways. County political boundaries have little or no relationship to existing reservation or tribal jurisdiction boundaries. The reservations were established long before the county boundaries were drawn in most cases. Subsequently, county boundaries were drawn by non-Indian settlers which split a single reservation among several counties to preclude tribal control of county governments. The USDA county offices of the ASCS, SCS, and the FmHA have not fairly served the Indian landowners and producers within their counties in part because they must be responsible to the county government and in part because no single office can claim jurisdiction over the reservation due to that fragmentation.

Through legislation, the USDA programs can implement the government-to-government relationship, recognizing the larger reservations as equivalent of counties with their own ASCS, SCS, and

FmHA offices on the reservation. These offices would serve the total reservation community including Indians and non-Indians living or farming within the reservation boundaries. In this manner, the USDA program would effectively reach the reservation in a way that reflects existing law and respects the government-to-government relationship.

Establishing individual reservation conservation districts for the larger reservation and tribal jurisdictions has the potential for the greatest impact on individual Indians and tribes of all our recommendations. And since it allows the reservation residents to effectively have their own ASCS and SCS offices and their own county committees responsible to USDA. This would radically redefine USDA involvement in Indian country and break down all of the existing barriers that exist at the local level. It will also give the reservation community a voice at the State, regional, and national levels which is currently lacking.

There are other very important issues including extending the Conservation Reserve Program and targeting Indian lands since incompatible BIA and USDA regulations prevented Indian land enrollment through most of the program life, and maintaining and enhancing the direct loan programs and land acquisition programs of the FmHA to reestablish its proper role in rural communities. And maintain and enhancing the crop insurance program and in the use of the USDA education programs to strengthen Indian education programs and the tribal community colleges in a manner similar to that which supports the 1890 colleges. Thank you, Mr. Chairman, for allowing us to present our concerns. Thank you.

The CHAIRMAN. Thank you, Mr. Miller.

[Prepared statement of Mr. Miller appears in appendix.]

The CHAIRMAN. Dr. Gardner, you have just heard the testimony of Mr. Miller in which certain recommendations were made. If my memory is correct, one is to provide clarifying language to clarify the trust or sovereign relationship between Indian country and the Department of Agriculture thereby making certain programs available to Indians such as conservation. The other is the establishment of reservation conservation districts for the larger Indian reservations and provision of extension services. What do you think about these?

Dr. GARDNER. Well, with respect to the definition section and clarifying the relationships between the department, local governments, tribal governments, and so forth, it seems to me this is a good idea and it certainly should be done as a matter of regulation. I am not enough of a lawyer to know if that ought to go—I am not a lawyer at all—I do not know if that should go in the farm bill or where.

The CHAIRMAN. You are doing very well, sir. [Laughter.]

Dr. GARDNER. But it seems to me the spirit of that recommendation is well-taken, and we should do something in that line. With respect to the extension services, this has been an area where the department has been involved in the past. I believe it is correct to say that we are not satisfied with the level of service we have been able to provide in the past, and there has been a pulling back from involvement in that area. But the extension service now does have a special task force trying to find ways to expand the extension services to Indian reservations, and we are planning to have that task force report and make recommendations this year. So we do recognize that as a problem, and we want to do something about it.

The third matter I heard was the question of putting ASCS and perhaps FmHA offices on the larger Indian reservations. I am not sure of what obstacles there are to that, but if I may, I would like to call on Dan Shaw of ASCS, who is here today and may be able to address that a little bit better.

The CHAIRMAN. Mr. Shaw.

Mr. SHAW. Yes, Senator; as far as one centralized ASCS office on a reservation and what is being proposed is an office that is manned by tribal members, we do have an office in every county, as you are well aware of, and the individual Indians or as a tribal venture has the opportunity to pick the county that they want their business to be handled by. We have always felt that Indians should be treated as non-Indians and have the opportunity to participate in individual counties. We have not really entertained the idea of having one centralized office for a reservation because of the distance that Indians would have to travel to that office. We felt that it was closer if we had the county office service and the Indian could pick which county they wanted to be serviced by.

The CHAIRMAN. Mr. Shaw, may I suggest that you get together with Mr. Miller and see if something can be worked out and let us know about it?

Mr. SHAW. Sure will. I think we should define better the roles. That is for sure because we treat all Indian lands as lands owned by Indians, and as far as I am concerned, they are free to participate in all of our programs.

The CHAIRMAN. Thank you, Mr. Shaw. Dr. Gardner, the committee has been advised that in certain areas of mutual concern and interest between the Departments of the Interior and Agriculture, there seems to be a lack of coordination, and these have been cited: Soil survey, conservation, and access to credit or loans. I am not fully aware of how this lack of coordination works, but is there any sort of mechanism that you put in place to assure that coordination between the Departments of Agriculture and the Interior would improve?

Dr. GARDNER. I do not know in detail how that coordination works. I know that we attempt to do it. I know we are attempting to improve our ability to do it, but perhaps Mr. Hayes would be better equipped to address that.

The CHAIRMAN. Would legislation help?

Mr. HAYES. Mr. Chairman, I am not sure that legislation would be an appropriate vehicle for forcing, if you will, coordination and cooperation amongst USDA and BIA. There currently exists a working group which deals with financial matters that meets on a regularly scheduled basis. They meet on a monthly basis between Farmers Home Administration and our credit activities, and the purpose of those meetings is to iron out difficulties and to assure cooperation and coordination on the dollar end of it. Insofar as the programmatic coordination in terms of soil surveys and our range and range conservationists and soil conservationists in the field, I believe that even though maybe not so much on a formalized basis, but I think that the field people work pretty good together. That is my understanding and impression.

Maybe not in quite so frequent contact with each other but there is contact in the field. I am aware of field contact.

The CHAIRMAN. Mr. Hayes, if I may ask another question before I call upon Senator McCain. In December 1987 the working group recommended certain changes in leasing regulations. What is the status of this?

Mr. HAYES. That is correct, sir. The working group recommended the consolidation of our leasing regulations, which is carried in one part of 25 CFR and our permitting regulations which is carried in another part of CFR. The purpose for the recommendation, as I understand it, was for clarity to assure that you do not have to flip back and forth between parts of the Code of Federal Regulations. The status of that effort is that the draft, the regulations are completed. They have been provided to our solicitor's office here in Washington. Our solicitor's office has sought comment and input from his field offices, and we understand has just recently completed that field comment, the input from his field staff. So we anticipate in the fairly near future that those regulations will go forward for publication in the Federal Register.

The CHAIRMAN. Have you called upon the Indian community for input?

Mr. HAYES. Yes, sir; during the course of the drafting of those regulations, membership from the working group and subsequently from the Intertribal Agriculture Council participated in the various meetings that were held for drafting purposes.

The CHAIRMAN. Thank you very much. Mr. Miller, I have been advised that one of the major sources of problems is the lack of access to credit. It also appears that guaranteed loans have not provided a solution. Do you have any recommendations?

Mr. MILLER. Senator, we have had a great deal of discussion about the lack of credit and the problems with credit. As you are well aware, the Indian operator has trouble obtaining credit for several reasons, and one of them is the trust status of the land. They cannot borrow against the land and so forth. And there has been in the past some discrimination against the Indian from the Farmers Home Administration, and I know these gentlemen here are not responsible for that, and it is being corrected. But the administration has now recommended, as we heard earlier, that there will be fewer direct loans, more guaranteed loans, and then a time limit on the direct loans that are made. This is going to further trouble the Indian farmer.

Since the Farmers Home Administration is the last resort, in many cases that is the only place that the Indian can go for credit. And the credit is so cumbersome, it is so time-consuming to attain a loan at the Farmers Home Administration, that by the time the producer figures out his program and gets all of the paperwork done, the farm plan and other forms all in, the time is past for purchasing of the cattle.

So there needs to be a big change in the way they handle their loans. First of all, we need more direct loans. The guaranteed loan program has not helped, has not helped the farmer. It has helped a few bankers. It has helped a few commercial lenders, but it has not helped the producers. So we need more direct loans. We need a better way to deliver those loans. We need a faster turn-around time. We need something like a credit line so that a fellow lays out his program and establishes a credit line that will last for 5 years so that every time he buys a sack of feed he does not have to go down and let the FmHA officer co-sign the check.

It is just a cumbersome thing. It could be a great help, and if we could get more money into direct loans and an interest break is very badly needed. We need also some long-term moneys to restructure land loans and things of that sort very desperately.

The **Chairman**. Senator McCain.

Senator **McCain**. Thank you, Mr. Chairman. Dr. Gardner, some of the figures that you have provided to the committee as to the amount of Native American participation in the USDA's programs seemed to me to be remarkably low. Is that your view of that as well?

Dr. **Gardner**. Well, I think one of the reasons for that is the difficulty of coordination that we have had and some of the problems that have been mentioned in getting Indians fully involved with the programs. So I think that explains part of it. Some of it has to do with commodities produced, by Indians and how they fit in with the programs which are supported most heavily.

Senator **McCain**. But clearly with this very low level of participation in these programs, you would agree that some legislative action, as well as executive branch action, would be called for?

Dr. **Gardner**. I am not sure that legislative action is needed on this. I am not sure what form it would take. I do think we need to make sure that the Indians are fully informed of the opportunities available and that we do not put obstacles in their way. I am not sure, though, how legislation would address that.

Senator **McCain**. Well, you said that you agreed with the three major concerns that Mr. Miller presented as the three major priorities for Indian agriculture in response to Chairman Inouye's question; is that right?

Dr. **Gardner**. Yes; that is right.

Senator **McCain**. And you think all three of those concerns could be addressed without legislation?

Dr. **Gardner**. Well, the first one about the definition of the governmental and individual entities involved, this may well be suitable to put in a farm-bill just to lay out what the status and responsibilities and rights of the different organizations are.

Senator **McCain**. But as far as the other two areas, you think that they can be addressed by executive branch? The establishment of reservation conservation districts and the provision of extension services on the reservation, those can be taken care of?

Dr. **Gardner**. With respect to the extension services, of course there are budgetary elements of that that could be—I mean it is up to the Congress to decide on these things, but I believe that when our extension task force makes its recommendations we will try to implement them.

Senator **McCain**. Thank you, Mr. Chairman.

The **Chairman**. Gentlemen, I have many questions I would like to submit to all three of you for your consideration and response. Regretfully I have a conflict at this moment. I have to preside at the Defense Appropriations Committee, and so if I may, I am going to ask my vice chairman to take over now.

Senator McCAIN. Thank you, Mr. Chairman.

The CHAIRMAN. I thank you very much.

Dr. GARDNER. Thank you.

Mr. HAYES. Thank you.

Senator McCAIN [presiding]. Senator Gorton, do you have any questions for the witnesses?

Senator GORTON. No.

Senator McCAIN. We thank you for being here today and thank you for your excellent testimony.

Mr. MILLER. Thank you, Senator.

Dr. GARDNER. Thank you, Senator.

Senator McCAIN. I would like to welcome the second panel, Mr. Elliot Booth, who is the Vice Chairman of the Colorado River Indian Tribes, Parker, Arizona, President of the Southwest Indian Agriculture Association; and Mr. Chavez John, who is the Office of Navajo Land Administration, Division of Natural Resources, Fort Defiance, Arizona. Welcome, Mr. Booth and Mr. John.

STATEMENT OF ELLIOT BOOTH, VICE CHAIRMAN, COLORADO RIVER TRIBES; PRESIDENT, SOUTHWEST INDIAN AGRICULTURE ASSOCIATION, PARKER, AZ

Mr. BOOTH. Thank you, Senator McCain.

Senator McCAIN. Would you please proceed, Mr. Booth, and both of you, as the chairman has mentioned, you are free to summarize your testimony. Your full statement will be made part of the record, however you wish to proceed.

Mr. BOOTH. Thank you. Mr. Chairman, members of the committee, my name is Elliot Booth, and I am vice chairman of the Colorado River Indian Tribes and president of the Southwest Indian Agriculture Association, both officed in, located rather in Arizona. First of all, I would like to take the opportunity to thank you, members of the committee, for the opportunity to testify. The farm bill establishes the long-term policy direction for many of the Department of Agriculture programs which in turn affect farmers and the agriculture economy. Problems that harm or damage Indian agriculture have direct and severe impacts on governmental services, quality of life for tribal members, and the local economy.

As I stated earlier, I am president of the Southwest Indian Agriculture Association.I would like to present just a brief background who is the association. It is made up of 16 tribes in the southwest in Arizona, Nevada, California, and New Mexico. And we have a 12 member board which represents all agriculture interests, and what we do, attempt to do, is try to educate our members on agriculture programs, try to resolve common issues and to coordinate our activities when possible.

Before I get into the specific testimony, I think it is appropriate that we define Indian agriculture as we see it in the southwest. Indian agriculture is extensive, complex. It is comprised of individuals, lessees, tribes, banks, and food distributors. Indian agriculture in most communities is the life blood.

We want to address the conservation programs and conservation. As Indian tribes we have a long-standing commitment to protection of our natural resources. We have respect for the land and water so that the future generations may enjoy a healthy and good life.

One of the problems we want to bring before the committee is the sodbuster program. The problem is stemming from the compliance with this program. What actually is happening to the tribes is that we are asked to be responsible for actions of a third party. Let me explain. We are asked that a farm plan be submitted for the entire reservation which is no problem. As I said earlier, tribes are willing to conserve our lands. But where the problem stems from is that when a lessee or individual that is on our reservation does not comply with the sodbuster provisions, the tribe as the landowner is subject to penalties which may result in not being able to participate in the many subsidized programs under the Department of Agriculture. We do not have the control over tenants or individuals as far as getting them to comply with the provision of the sodbuster program. The BIA does the monitoring of these leases, and therefore, with the provision as it now stands the tribes are at risk.

We also see a problem in the compliance program because we have two agencies that are mandating conservation requirements. The Soil Conservation Service and the BIA have a dual role, sometimes conflicting role, and it places the tribes not knowing which agency should we follow? BIA because is our trust agency, or the Soil Conservation Service which says if you do not follow our plan you do not comply with our regulations, thus you are not going to be eligible for any of the entitlements under the subsidy programs. So we are in conflict immediately. What do we see as a possible solution? I think one of the solutions could be that we create a tribal resource management conservation program on our reservation controlled by the tribes because it is our land that we are protecting.

Other provisions such as the Conservation Reserve Program, requires us, for soil erosion purposes, to plant cover crops on these type of erodible soils. This is impossible in some cases in the desert southwest because, one, of the climate and the nature of the soil. So this is an almost impossible task for us to abide by so we need, I think, to think about revising some of the programs for the southwest regional area.

Let me also touch upon farm credit. Available resources of capital are crucial to development of any economy. Development needs of Indian agriculture are no different. There are many constraints to farm credit on Indian agriculture. First, a lack of credit experience; second, the availability of land as security. The cost of financing is too great. Banks and financing institutions sometimes make unrealistic collateral requirements, sometimes triple collateral requirements. Oftentimes they are at high interest rates. BIA loan guarantees are not necessarily an incentive.

What we think we need to do, and which I think I represent a tribe that is committed to developing tribal codes, will address some of the problems. These codes are commercial codes that will create a comfort zone for the banks that are doing business on our reservation. These codes will provide access to tribal courts should a default occur.

We also are interested or wanting to suggest that a irrigation development bank be created. This development bank will finance extension of irrigation systems so that we could finish developing undeveloped ground that exists on reservations. We talk about water conservation. Water is the life blood of reservations in the southwest. The future of Indian agriculture depends on its ability to protect and put to use its water. We need to complete irrigation systems to improve efficiencies. We need canal lining and measuring devices. We need to develop Indian agriculture before non-Indian agriculture. What I mean there is that in times past all the non-Indian irrigation projects were put ahead of Indian irrigation projects. So you see throughout Indian country the outdated, the need for rehabilitation, the need for completing irrigation systems in Indian country.

We need the commitment from Congress to promise to provide the funds necessary to complete these projects. Just to address a little bit about extension service——

Senator **Daschle** [presiding]. If you could summarize your statement, Mr. Booth, that would be great.

Mr. **Booth**. Okay. There are reservations that are under-served or not served at all by extension service. We need to see this corrected, and funding is one of the ways that need should be looked at. You have our prepared statement so if there are any questions, I will be glad to try to answer them.

Senator **Daschle**. Well, we thank you for an excellent statement and appreciate the fact that you have put in a good deal of thought and effort into presenting it today. Mr. John.

[Prepared statement of Mr. Booth appears in appendix.]

STATEMENT OF CHAVEZ JOHN, OFFICE OF NAVAJO LAND ADMINISTRATION, DIVISION OF NATURAL RESOURCES, FORT DEFIANCE, AZ

Mr. **John**. Mr. Chairman, I am a member of the Navajo Tribe from Arizona, also representing the tribe on the Intertribal Agriculture Council, and I would like to request for an oral testimony because of some major changes in the testimony itself. I would like to keep the record open for 2 weeks for written testimony.

Senator **Daschle**. Without objection.

Mr. **John**. Thank you. We appreciate the opportunity to present issues and concerns that tribes are facing in Indian agriculture. Indian agriculture has been the mainstay of Indian livelihood. It is not a fact that Native Americans taught——

Senator **Daschle**. Mr. John, would you mind pulling the microphone a little bit closer to you? I think people in the back are having trouble hearing you.

Mr. **John**. Thank you. The Native Americans taught the early settlers how to farm and cultivate corn, squash, and other vegetables. Agriculture can be defined in many terms and various facets among the different tribes throughout the Nation. It is fortunate to get two of the major role players in the agricultural field to comprehend the issues and concerns that limit or prevent the full benefit of agriculture programs available through the various agencies.

Often Government regulation hinders, delays, damages or impacts the agriculture economy of Indian nations. As we testify today, you will again realize the importance of agriculture as part of Indian tradition, livelihood, economy and religion. The traumatic effects of drought in the southwest over the last two seasons have put a significant impact on the economy and livelihood of Indian farmers and ranchers in the southwest. The drought has placed the Indian farmer who depends on precipitation to harvest his crop in a very frustrating situation. With no other means of subsistence to supplement the Indian farmer's income, it is very unfortunate that the Federal Government does not provide some sort of relief that would assist these farmers.

Since they are not large farms, they are usually considered as gardens rather than commercial farms. Therefore, it does not qualify for Federal assistance. The ranchers have also found themselves in similar situations. Although there is the emergency feed program available under the USDA programs administered by the ASCS programs, most farmers realize that they cannot participate in the program because they do not keep adequate records of the livestock, expense records and other documents required to process the cost reimbursement. Often times, the ranchers found that the forms are too complicated to fill out. Although there has been a revision in the regulation to include individual Indian members as eligible recipients, the form needs to be simplified to where all participants will be able to understand and complete the forms.

Another drought relief program is the Indian Acute Distress Donated Feed Program administered by the BIA. The regulation for this program is too repetitive and should be revised to include all Indian livestock owners and to have the program available immediately after an application is submitted. An example of this is that in our case, we have submitted our application to the area offices in July 1989. To present, after 7 months, there has been no status of approval on the program.

All tribes have some sort of ritual, spiritual attachment to their land and its natural resources. They are some long-standing commitments by Indian tribes to conservation and to preserve the natural resources that exist on Indian lands. This commitment links together with the culture, tradition and religion of each tribe as they show respect for the environment. There are several types of conservation programs available through the various Federal agencies. However, many times the programs are not made readily available to Indian tribes due to various implicating Federal guidelines, policies or regulations that will prevent projects to be implemented on Indian lands.

And in such cases, our regulation needs to be changed and funding increased to make these programs available for benefit of Indian tribes so the program projects are more viable and productive. Other concerns include the lack of government-to-government relationships. Usually Indian producers are forced to deal with State and county committees that are often openly hostile, bias and partial when committing projects. This is usually a result that Native Americans are not taxpaying producers when they are competing for program funds. Another factor affecting the lack of conservation is the BIA imposed open range concept coupled with the permit system of grazing that discourages range conservation and does not allow for management of reservation range resources. Until such a system is changed, we will continue to lack conservation practices.

In order to implement a controllable range management, more funds are needed for fencing, development of range units that will encourage soil, water and range conservation practices. Our recommendation is to establish a state tribal conservation office which will allow for long-term management and conservation of Indian natural resources. The office will ensure that conservation plans are consistent with tribal goals and agricultural activities. They will also solicit Indian input into state and Federal regulation, government conservation programs and projects. Another recommendation is to extend the conservation reserve programs and target Indian lands because Indian tribes have been prevented from participating in USDA programs due to incompatible BIA/USDA regulations. We would like to see conservation districts on Indian lands to specifically provide services to reservation population.

Lack of education awareness in many areas of agriculture and natural resources has been long overdue. Too many times various improvements and projects have been introduced to Indian producers without very much success. This is a result of trying to advance too much technology at one time without individuals getting the necessary training needed to succeed with the program. Pilot projects need to be established at community colleges, technical program in agriculture and natural resource management fields, through the USDA education program, to strengthen Indian education programs and the tribal community colleges in a manner similar to that that supports the 1890 colleges.

Working with these colleges in cooperation with other land grant universities, there will be practical training and assistance in creating or monitoring a successful agriculture enterprise, assessing sources of commercial credit, developing markets, and other subjects of interest to the rural community, and to develop more seminars and training programs in conservation and range management through the already existing programs.

Last, under the BIA agriculture range program, set aside percentage of the BIA scholarship fund for Indian students to complete degrees in renewable natural resources. Thank you.

Senator DASCHLE. Thank you, Mr. John.

[Prepared statement of Mr. John appears in appendix.]

Senator DASCHLE. Senator McCain, do you have any questions or comments you would make?

Senator MCCAIN. Mr. Booth, you indicated in your testimony that the tribe does not fit within the general categories of entities covered by the USDA's regulations, and you have urged amendments to the sodbuster program and the conservation compliance program. Can you explain to the committee the relationship of a tribal government to its members and why you believe that a tribal government cannot fit within the categories described by the USDA regulations?

Mr. BOOTH. Senator McCain, if I may, I have with me John Schumacher who is in-house counsel, and I would like to defer some of the questions, if I may, Mr. Chairman.

Mr. SCHUMACHER. Senator McCain, in the agricultural regulations, the categories of entities that are involved are corporations, partnerships, joint ventures and individuals. An Indian tribe is none of those. It is a government. It is a sovereign entity.

Senator DASCHLE. Mr. Schumacher, would you mind speaking into the microphone for the recorder?

Mr. SCHUMACHER. It is a governmental entity, and as such, it is even unique from the States. Tribal membership is at the core of tribal governments. Tribes are unique in that the tribal members have an interest in government that is political interest which also extends to their livelihood. On the other hand, a tribal government is a government. It deals with the United States on a government-to-government basis and deals with States in that fashion. The unique thing about tribes from States is that States generate their revenues to provide education, police, fire protection and social services through taxes. And most tribes do not have a tax base. So in order to pay for those services they engage in proprietary functions.

For example, Colorado River has 80,000 acres of agricultural lands in production, 20,000 of those acres it farms on its own account, and about 60,000 it leases out. Now those revenues are to pay for governmental services. And under the USDA regulations in particular, the sodbuster regulations, the department interprets the tribe as landlord. The ownership of the tribe's land is also trust land, which creates unique obligations by the Federal Government with the tribes. What happens, in effect, is that our lessees take independent actions for which the tribe is penalized.

Under sodbuster, all of our lessees are required to have farm plans filed. The tribe has spent the last year trying to get all of those lessees to have their farm plans filed. Now in December, the farm plans were required to be filed by January 1, the Agricultural Stabilization and Conservation Service was already going to the Soil Conservation Service to find out who was out of compliance on our lands before they were even required to be in compliance. Under the regulations, the Department of Agriculture has determined that if one of our lessees is out of compliance then we as landlord will, especially for leases after 1985, lose our agriculture benefits under other agriculture programs. So in order to protect ourselves because we do not have a lot of control over our lessees—the Bureau highly regulates the agriculture leasing on our reservation—we filed a master farm plan for all of our lands.

Now within 2 or 3 days after the first of the year, the Agricultural Stabilization and Conservation Service was immediately at the local Soil Conservation Service office going through every piece of land on our reservation to figure out whether or not there were plans in compliance and managed to find out of 80,000 acres, a 2 acre parcel of land that did not have an individual farm plan. That means ASCS would have wiped out our ability to participate, for example, in the cotton subsidy program. The Soil Conservation Service individual then gave the Agricultural Stabilization person our master plan. That we had filed it for the entire reservation because on one hand we are told that we have control over all these individuals, and on the other hand, the individuals were required to file because they are separate from the tribe. The ASCS person was furious because we had basically covered both ends. But we had to spend a lot of time and a lot of hours to figure out how to do that because we are treated as similar to a joint venture for many of these services.

They also have notified us that if any of our tribal members are out of compliance with the Soil Conservation plan, the tribe will be penalized. Now individual tribal members may have allotted lands which are lands that they were granted to them by the Federal Government. They may also have leases from the tribe that they got just as any non-Indian third party lessee would get. And if they are out of compliance, the tribe is penalized because they are considered an affiliated person.

Now, as I am sure Senator McCain is aware, and you may be aware, Congress passed the Indian Civil Rights Act in 1968 which put limits, due process limits, on the tribal government and what it can do with property interests of individual Indians. And at the other hand, the Department of Agriculture is saying we have control to do whatever we want with those lands so we can ensure compliance. So it puts us in a Catch-22, and that is why how tribes are to be treated must be defined throughout the agricultural laws. Last session in Congress we had the ASCS payment limitation regulations amended to solve the same problem, throughout those laws there is no recognition of the Indian status of Indian tribes in our governments.

Senator McCain. Thank you, Mr. Chairman.

Senator Daschle. Senator Gorton.

Senator Gorton. No questions.

Senator Daschle. Mr. Booth, we were just talking a little bit about your capacity to participate in the agricultural programs and how to a certain extent they are hindered by the leasing regulations of the BIA. Could you elaborate a little bit more specifically about how in conflict they may be; how they detrimentally—that is the leasing regulations—detrimentally affect your ability to participate in a more general way in agricultural programs?

Mr. Booth. Well, I think that the present day regulations on leasing need to be changed, and I think the opportunity is here now. One reason is that the regulations as they are now written seem to protect the lessee rather than the tribes. We have difficulty when a lease is cancelled by the BIA due to the appeals structure that is prevalent in the regulations. This appeal structure, although it affords due process causes problems, when there is no presentation of evidence on how the default is going to be cured. Then the appeal process seems to continue and continue and continue, which then hurts the tribe because the land in question under that appeal is tied up. And this could take up to more than a year or so. I think the leasing regulations need to be expanded.

I think we need the regulations to provide the flexibility to our tribes to determine what tenure it should be when it is dealing with a potential lessee or a business on the reservation. And John, you may want to add a little more.

Mr. Schumacher. I think those are the key things. There needs to be flexibility there to tailor leases to the agricultural situation. For example, unless you are doing developments on the lease hold, the Bureau limits you to a 10-year lease. Well, in order to provide continuity and management of the resource, a longer term lease even without improvements may make sense just in order to have a continuous farmer on the premises. They are more likely to keep ditches clean and to do the additional work that is necessary than if they have the shorter term lease.

Senator DASCHLE. Do you have anything to add to that, Mr. John?

Mr. JOHN. No.

Senator DASCHLE. Well, I want to thank both our panel members for your excellent presentations and your comments. They were very helpful to us, and we will see that the entire text of your statements be made a part of the official record. Thank you.

Mr. JOHN. Thank you very much.

Mr. BOOTH. Thank you.

Senator DASCHLE. Our third panel is comprised of two witnesses to address Indian extension programs. Mr. Lonnie Racehorse of the Shoshone-Bannock Tribe, and Mr. Norman Wolf, the county extension agent in New Mexico. Mr. Racehorse, we are pleased that you could be with us this morning. We invite you to proceed as you see fit. The entire text of your statement will be made a part of the record.

STATEMENT OF LONNIE RACEHORSE, SHOSHONE-BANNOCK TRIBE, FORT HALL, ID

Mr. RACEHORSE. Okay. Fine. Thank you very much. Mr. Chairman, I am Lonnie Racehorse of the Shoshone-Bannock Tribes of Fort Hall, Idaho. I am the northwest representative of the Intertribal Agriculture Council which is comprised of 11 tribes from Idaho, Oregon, and Washington. We want to express our gratitude of our 52 member tribes for your interest and concern as represented by your inviting us here to this hearing today. The testimony I am giving is intended to provide a brief overview of the unique features of the Indian agricultural extension services and to ask your committees to reactivate these programs through the BIA or the U.S. Department of Agriculture.

The Intertribal Agriculture Council is a private, non-profit corporation, and we have 52 member dues paying tribes with the interest in management development of land and the agronomic resources. The IAC which has our member tribes together control 43 million of the 53.7 million acres of Indian lands in the contiguous United States and approximately one-half of the 44 million acres in Alaska. Our members pay dues of $200 per year. The IAC is governed by a board of directors comprised of 12 representatives elected from each of the 12 Indian regions recognized by the BIA.

Officers are elected by the board from its membership and all members serve on a voluntary basis. Native Americans have strong traditional and economic ties to agriculture. For centuries they cultivated and perfected crops which now have become the mainstays of the world diet. Agriculture remains a vital part of the Indian communities today. There has been significant attention drawn to Indian land management and agriculture in the past few years with the passage of Public Law 99–190, which Congress provided $6 million for the purchase of hay for drought impacted reservations in Montana and the Dakotas, and required that BIA report on Indian agriculture programs.

The Report to Congress on BIA Agriculture Range Programs prepared by the BIA contained nine recommendations which includes the extension programs. I am not going to get into the statistics of those statistics at this point because they have already been addressed by other testimony. The concerns on extension agents was addressed by the National Indian Working Group which was the organization before Intertribal Agriculture Council, and they had 12 and six BIA members from across the country that was appointed by the Assistant Secretary of Indian Affairs in June 1987. The working group presented a detailed report of their findings and recommendations to the Assistant Secretary in November 1987. They reported that a serious and potentially devastating decline is currently affecting all sections of Indian agriculture community. Indian use of Indian lands has dropped off rapidly in the recent years and ideal Indian lands have increased at a rate as high as 40 percent in 1 year. Hundreds of thousands of acres of Indian lands are in danger of foreclosure through the default of Indian farmers and ranchers. The expected result is a continually widening gap between the standards of living of the Native American and Alaskan Native people and the general population of this country.

In the same report to Congress on agriculture, the BIA states although agriculture is the primary contributor to reservation economies and employment, funding for all agriculture programs has averaged only 2.25 percent of the total Bureau budget for the past 10 years. The fiscal year 1990 BIA budget shows that only 2.02 percent of the total appropriated moneys be spent in this program area.

In fact, after all this increased emphasis on Indian agriculture and resource development, the BIA leadership's budget for fiscal year 1990 actually contained an overall $4,271,000 decrease in agriculture program budget, a reduction of 210.5 percent from the 1989 program level, with no reductions in either the area or central office operating budgets. Additionally, a figure of $17,000, 3.5 percent, has been cut from agriculture budgets at the agency/tribe level in agriculture extension.

It is for these budget cuts that the IAC has prepared this testimony on Indian agricultural extension, for the restoration of agriculture extension agents to the reservations. In the previously cited report to Congress, the Assistant Secretary for Indian Affairs recommended that the BIA include an agriculture extension service activity in the Bureau's agriculture program budget. This program must include the reestablishment of extension agents at the reservation level to provide agriculture extension assistance and reimplement the FFA and 4-H programs for Indian youth.

A similar recommendation was made by the National Indian Agriculture Working Group in December 1987 that was prepared for the Assistant Secretary. Testimony at the 14 public hearings conducted by the BIA on Indian agriculture was cited by the working group as justification for this request. We in the IAC strongly concur with these recommendations even though the Bureau has not acted on them yet. Agriculture extension agents provide the link between advances in agricultural practices developed by the land grant colleges and the application of these recent developments by the Nation's farmers and ranchers. With the absence of the same information flow to the reservation, Indians are falling further and further behind in agricultural technologies.

The agricultural extension in the past spearheaded wholesome and relevant youth activities in 4-H and FFA which were compatible with Native American and Alaskan Native culture and met the needs of Indian children growing up in a rural agricultural environment. That environment has not changed and those needs are currently going unmet as indicated by several of the problems on reservations today.

Reservation residents may not have access to existing county extension agents for various reasons. The most pertinent one was explained to the IAC board by a ranking USDA administrator in the Cooperative Extension Service. Funding for the Cooperative Extension Service comes from four levels: Federal Government, 32 percent; State funds, 47 percent; county funds, 18 percent; private sources, 3 percent. Reservations are not under county and State jurisdictions in most instances, and therefore are not contributing to the county or State tax rolls, although Federal impact funds are provided. The county commissioners and committees actually control the county extension agents and may feel justified in excluding reservations from the service area. For these reasons, the Indian tribes who desire extension service have traditionally had to contract directly with the land grant colleges to acquire this service as explained in the BIA budget justification.

To correct these deficiencies it will be necessary to pay that portion of the cost of the extension agent normally paid by the State and local taxes. We therefore request a total of 6.02 million to be added to the 1991 base in agriculture extension. The purpose is to reestablish one agricultural extension agency on each reservation, Indian community, Native association or the consolidated agency with at least 120,000 acres. What we are requesting is one county extension agent with at least 120,000 acres and two agents on reservations with over 1 million acres. A total of 86 agents will be required to implement this program at the average cost of $70,000 each, including support costs. The total expense will be 6.2 million. The breakdown is broken down to the BIA area offices as shown.

We further request that Congress stipulate the following language in order to avoid problems with funds being misused. A sum of 6,020,000 is appropriated for the sole purpose of providing one agricultural extension agent in residence for each reservation, Indian community, Native association or consolidated agency with an acreage total of at least 120,000 acres, and two agents for those reservations with over 1 million acres. We further stipulate that these moneys cannot be used directly by the BIA or reprogrammed, but must be contracted to the tribes under Public Law 100-472, the Cooperative Extension Service, or the individual land grant colleges specifically to provide extension agents in residence on the reservation.

On November 2, 1989, a hearing of the Senate Select Committee on Indian Affairs emphasized the need for reservation extension service programs in the area of agriculture. The USDA extension administrator appointed a committee to develop recommendations for such a program, as you heard earlier. This committee met on November 15, 1989 in Albuquerque, NM, and developed the attached report, and I have that report attached to this testimony. We feel we have worked with USDA and the BIA and feel that this USDA report supports all of our efforts in the past 2 years. We were under the understanding as testified earlier that this was going to be part of the administration's proposal at this hearing, but we found out Thursday night that this was not. So the attached report is there.

Senator DASCHLE. Without objection, the entire text of the report will be submitted for the record.

Mr. RACEHORSE. Fine. Thank you, Mr. Chairman, for inviting us to participate in these hearings today, and we are ready to answer and assist you in any way possible in addressing the Indian extension services mentioned here today and to reactivate these programs for Native Americans, and I will be available to answer any questions.

Senator DASCHLE. Thank you, Mr. Racehorse. Mr. Wolf.

[Prepared statement of Mr. Racehorse and attached report appear in appendix.]

STATEMENT OF NORMAN WOLF, COUNTY EXTENSION AGENT, SAN JUAN COUNTY, NM

Mr. WOLF. Thank you, Mr. Chairman. I am Norman Wolf. I work as an extension agent in San Juan County, NM. Thank you for this opportunity to appear before you to relate my experiences as an extension agent working on the Navajo Reservation. I also wish to address the importance of having extension agents with special responsibility of working with Native Americans. I am not an administrator; I am not a lawyer; I am a field person dealing with the daily frustrations of delivery of programs, of extension programs, to the population in San Juan County. I have had the unique opportunity of being able to work both on the reservation and act as an extension agent off the reservation in the same county.

I am going to attempt to summarize my statements and not read directly from this since it will already be in the record. When I was working on the reservation, our staff was composed of both Navajo and Anglo professionals, and I understand that that is one of the goals in the establishment of extension agents back on the reservations is to utilize Native Americans and we in New Mexico have already done that quite well. When we had Indian contract programs in San Juan County, there were eight professionals working in the county. Four were working with Indian population and four were working in the regular county office. We were all busy. In essence, now we only have half of the professional staff and less than half of the budget, and we are still trying to service the same number of people.

We tend to shortchange the off-reservation clients and we tend to shortchange the Navajos both. We are just spread out too thin. I was surprised at my own experience in changing jobs from the reservation program to the regular county program. I call it the view toward the hogback. The hogback is a rocky outcropping that delineates the reservation line between the reservation and off-reservation areas of the county. When I was working off the reservation, my thinking tended to stop at the hogback because I did not have responsibilities in the off-reservation areas of the county. Now that I am working on the other side of the hogback, I really have to push myself hard to think about developing programs for Navajos because of the pressure of off-reservation clientele to provide programs for them.

Agents working in traditional county extension programs are often not attuned to working with an Indian audience. An agent has to be there to sell his or her program. You have to be visible and available. Indian clients will not come to a county office that is 100 miles away, and this is an actual. They have to come 100 miles and intrude on an agent that already seems to be busy. There were some earlier testimony that addresses accessibility for all USDA programs. And I think we are accessible, but sometimes we are accessible only if the clients walk in the door. There is a large need for agriculture education programs and a high demand for 4-H programs. We have an excellent core of 4-H volunteers, but difficulty serving them from the county office. Just the economics of a volunteer 4-H leader coming 50 miles one way to bring in record books or pick up literature is an unfair financial burden on that 4-H leader.

Extension does have something to offer the Navajo people, but we have to be more than available to come in on a one-shot program or project. There needs to be continuity. From my experience, there is a definite need to provide special programs and specially designed educational materials for Indian American audiences. These should include slide presentations and videotapes that show Navajos doing the practices, Indian Americans doing the practices, newsletters, special 4-H projects and home economics education that should be designed for Navajo families. All of this takes additional time and money. Agents in established county extension offices do not have the time to develop these materials.

Programs need to be personalized and tailored. Agents have to have time to sell them and present them. One on one service is critical to acceptance. Demonstrations are the tried and true educational vehicle to reach this audience. On the Navajo Reservation, good programs have included, and I will ask you to step back 30 years in education, shearing schools, angora sire import, livestock schools at chapter houses and communities and statewide, bull testing, individual contacts with producers, sheep sire import, vegetable gardening, farm education, many other things that extension has had good experience in providing.

We have also utilized existing programs on the reservation for program delivery. In essence, an agent serves as an expert information source for both individuals and leaders of groups. We have worked with grazing committees, food stamp/commodity distribution, Navajo homemakers, Head Start teachers, land boards, and other people. What necessarily works on the Navajo Reservation does not work in Oklahoma or South Dakota or Montana. All Native American groups have differences. There is defensiveness among extension professionals about making our programs available to all races. No, we are not prejudiced. We are open to all comers. Anyone is welcome to participate in our programs. And that is very true. If that person calls you on the phone or if that person walks in the door, we certainly do not refuse to provide the services. But sometimes the perceptions of the service availability are in the people's minds, and they do not want to intrude on somebody who sitting at a desk 50 miles away. You have to take the programs out to them. I cannot, cannot talk enough about that. They will not come to our offices and ask for the services. ASCS earlier talked about, yes, our programs are available, but in my experience the Native Americans do not necessarily make the effort or they feel, some way they do not come to our offices and ask for the services as much as our own population does.

The existing land grant university system has the best capability to deliver extension educational programs for Native Americans. We have the experience. Our programs are directed with local advisory committees determining program priorities and directions. The network of county agents across the United States makes many things very available to me. An example is agriculture commodity information. The extension specialists at the university are a very good source of back up for the agents. In-service training is conducted for agents on a regular schedule. The program is tried, proven and stable. Setting up an extension service with tribal community colleges or governments seems at first blush to be a very good idea with tribes running their own program and determining priorities.

In many cases, these programs have been short-lived due to tribal reallocation of priorities in funding. They also lack the university system backup and the nationwide network that the extension system has built in. These programs have generally relied on the local university extension agent for backup. In this case, this provided a short-term extended delivery system for extension programs. In the late 1970's, our director in New Mexico, Dr. Ross, attempted to redirect money from the BIA at the Washington level because we were having trouble at the local level. I would not say trouble, but we were having difficulties in dealing with several different contractors. There are at least three or four different area offices in New Mexico that our university was having to deal with in getting money from the BIA to the university, and it was taking a lot of time to deal with these individual area offices.

So I would suggest that the money should be transferred at the Washington level and sent directly to the universities. I think that is pretty well addressed in the things that Lonnie said about the USDA recommendations. With that, I will close my remarks and ask if there are any questions.

The **Chairman**. Thank you, Mr. Wolf.

[Prepared statement of Mr. Wolf appears in appendix.]

Senator **Daschle**. Senator McCain.

Senator **McCain**. I was impressed with your remarks about the fact that we have got to provide outreach to the people rather than have them come 50 or 100 miles to your offices. Do you want to elaborate on your personal experiences, Mr. Wolf?

Mr. **Wolf**. Well, I found it necessary to be a salesman. As an extension agent, I had to sell my educational programs. At least I had to be visible and let the people know that I was available to them. I traveled to chapter houses, talked with chapter officers. A chapter is a local population center on the Navajo Reservation or a local community. That is also true with the regular extension program. You cannot just sit in your office and expect people to come to you, but right now in the office that I am in, I am in an office that is highly suburban/urban oriented area, and the people that live off-reservation in that area put a lot of pressure on my time, in office pressure, and it requires a lot of time on the telephone. And I do not get the opportunity to go out on the reservation, say 100 miles away, and work with individuals and sell my program or make myself as available as I would like to.

Senator McCain. Thank you very much, Mr. Chairman. Thank you both for your testimony.

Senator Daschle. Senator Conrad.

Senator Conrad. Mr. Chairman, in the interest of time and the number of witnesses we have, I would be glad to forego my questions.

Senator Daschle. Thank you, Senator Conrad. I had just a couple of questions. Mr. Racehorse, one of the perceptions that I have is that the conservation, that the whole effort in extension, I should say, has a relatively low priority in the tribal system. That you have got an Indian priority system when it comes to the ranking of a lot of these programs, and you have not assigned this program a very high priority. Is that perception accurate?

Mr. Racehorse. The perception is accurate because of the budget constraints. We, our tribal leadership out there has had to set some of these priorities, you know, from one program to the other. And the extension program is the one that went first because of the budget constraints. Now with the augmentation of natural resources in the respective reservation where we are bringing that to a forefront, as you noticed in our testimony all along there has been a decrease in agricultural funds through the BIA budget for the past 10 years. And under pressures of the social programs and all this other stuff, the natural resources programs have been taking a slide. And namely agriculture, at this point, like I told you, 2.02 percent of the budget is going toward agriculture programs.

Senator Daschle. What is the tribal budget?

Mr. Racehorse. On our reservation we have a tribal budget of probably about $30,000 that we have a little extension program going, just a 4-H program going.

Senator Daschle. What is your total budget?

Mr. Racehorse. For the tribe?

Senator Daschle. Right.

Mr. Racehorse. Probably right at the million dollars of the tribal budget, but of that, we have about 30, $35,000 to fund a little extension office that is just running a 4-H program on our reservation. And I want to also state also our reservation is checkerboarded with four counties. We have two major counties that have us. So to get these county extension agents to our area, we have to work, we cannot work in force because we are divided. And all the programs are that way.

Senator Daschle. You mentioned the $6 million request in appropriations. If you were going to devote that to one purpose, what would that be purpose be? I know that it is requested for a multifaceted approach to extension, but what one thing would you really like to see out of extension?

Mr. **Racehorse**. Well, my preference is youth programs. I am attuned to, I think, the educational programs for our kids. Now they are going to be our leaders from here on out, and we have not been getting that the past 10 years because of this. And that would be my preference.

Senator **Daschle**. Very good. Mr. Wolf, what would you do with $6 million?

Mr. **Wolf**. I would go along with the IAC's request for both agriculture agents and 4-H agents and maybe some with split responsibilities as we are in county offices many places. I believe the 4-H education, I wonder how many people in this room have been touched by 4-H education and their leadership capabilities somewhere along the line. And I think Native Americans lack leadership capabilities or opportunities for leadership training.

Senator **Daschle**. The impression I have from you, Mr. Wolf, is that the community colleges probably would not be as appropriate a vehicle with which to disseminate and coordinate a lot of the information in the programs. Is that a fair assumption from what comments you made in your testimony?

Mr. **Wolf**. Yes, sir; that is a fair assumption. I do not want to downgrade the community colleges, in fact, I have worked in concert with the Navajo community college in helping to provide agriculture education programs. But the extension delivery system is tried and proved, and we really have the good backup and the network across the United States to help each other out whereas the community colleges are often isolated.

Senator **Daschle**. But that is their whole value is their isolation on the reservation. I mean if South Dakota is any guide, South Dakota State probably is typical in that I do not know that they have very aggressive extension programs right on the reservation—they may and I just do not know about them. But the community college is right there. Just as the community colleges have adjunct programs in other areas of endeavor scholastically, it would seem to me that the community colleges could work in concert with the land grant university system in order to come up with a much more comprehensive and effective program for extension in the future. There is nothing structural about the community colleges, is there, that would prevent a more effective program?

Mr. **Wolf**. No, sir; we would be happy, I mean the land grant system would be happy to work with the community colleges. I think the extension agents have more accessibility to the specialists that are on our staff. We have more accessibility to the nationwide network of agents. I can work with agents in South Dakota, North Dakota, Montana. At one time when I was working on the reservation, there was talk about establishing a national meeting of agents of working with Indian peoples because of our unique programs in dealing with them. I do not have a problem, but I do not think it is the only way to go.

Senator **Daschle**. Oh, I am not advocating that. I am only suggesting that as an adjunct to the county agent system that somehow we try to develop a more constructive approach for the involvement of community colleges than what we have today. Listen, thank you both for coming. I appreciate your testimony, and your comments are very well-taken.

Mr. RACEHORSE. Thank you very much.

Mr. WOLF. Thank you.

Senator DASCHLE. Our next panel of witnesses is here to talk about agriculture credit. Thomas White, the Governor of the Gila River Indian Community at—how is that pronounced? Senator McCain.

Senator MCCAIN. I did not read it.

Senator DASCHLE. Sacaton.

Senator MCCAIN. Sacaton.

Senator DASCHLE. Sacaton, Arizona. Calvin Waln, a member of the Rosebud Sioux Tribe in Rosebud; and Gary Collins, the Northern Arapaho of Arapaho, WY. If those three gentlemen will come forward. Mr. White, you are the Governor of Gila River?

Mr. WHITE. Yes, sir.

Senator DASCHLE. We welcome you.

Mr. WHITE. Thank you.

Senator. DASCHLE. As we welcome each of our witnesses, and we are delighted to have you this morning and invite you to proceed as you see fit. The entire text of your statement will be made a part of the record.

Mr. WHITE. Thank you.

STATEMENT OF THOMAS WHITE, GOVERNOR, GILA RIVER INDIAN COMMUNITY, SACATON, AZ

Mr. WHITE. Yes, sir; thank you, Mr. Chairman and members of the committee. My name is Thomas White, and I am the governor for the Gila River Indian community, and it is my pleasure to testify before you on behalf of the of the Pima and Maricopa Indians of Gila River Indian community out of south-central Arizona. My testimony consists of various issues that we like to deliver to the committee at this time, and one is the agricultural basis for the economy of Gila River Indian community. Pimas and Maricopas of the Gila River Indian community have since time immemorial farmed the Gila River valley in south-central Arizona, and our reservation borders cities and towns that have been primarily agricultural land, but have been taken out of production for commercial, industrial and residential purposes. And the community's agricultural capability has become more significant at this time. And I consider these hearings extremely significant and unprecedented because in my memory there has been virtually no attention focused on the problems of Indian farmers and very little attention focused on the relationship between the Department of Agriculture and Indian tribes.

We talk about farm credit as Indian tribes, and we are confronted with many problems that we have to cope with because of the unwillingness of lending institutions to extend credit to farms located on Indian land. Annual capital is necessary for crop production as well as long-term capital for development on our reservation, but sources of capital for crop production are ordinarily limited to local lending institutions. These lending institutions typically secure loans by using land as collateral. However, trust lands on reservations causes lenders to be extremely cautious of providing capital for crop production.

Obviously, the trust status of Indian land exacerbates and complicates an Indian borrower's problem in securing long-term development loans on reservation lands. The Gila River farms and individual farmers have not used the direct loan or loan guarantee programs available through the BIA because of lack of notice of funding availability and limitations of funds in these programs. The administrative requirements of the programs has also caused some difficulty. For example, to qualify for this program, an Indian farmer must first be rejected for financing by three lending institutions. The time involved, not to speak of the humiliation, prevent many of our farmers from meeting planting schedules.

Our funding sources in the past have been limited to local financial institutions and grants. In November 1977, the community and the farms entered into a contract with the U.S. Bureau of Reclamation making Gila River farms the first Indian project to receive the Small Reclamation Projects Act loan. The loan funds were used to rehabilitate existing farm lands and improve irrigation delivery systems, allowing the farms to improve their overall irrigation and farming efficiencies. These improvements allowed the farms to cultivate more land with the existing water supply and increase their annual revenues which are being used to repay the loans on an annual basis.

The farms is now in its fifth year of repayment of this loan of approximately $14 million, and has just recently completed construction under a second contract and is beginning repayment. The two loans together total over $21 million. These type loans are somewhat unique to Indian tribes and are not available to individual farmers. The community urges Congress to consider creative approaches to farm credit and development loans as part of this and future farm bills. Available funding would allow Indian tribes and Indian farmers and landowners to develop their lands by farming or leasing. We have also noted in our testimony that we have reserved some statements as to our water conservation and soil conservation programs and also to the area of the WIC program that we provide for services in the Gila River Indian community. And under the WIC statements, we have provided three recommendations that we would like you to look at.

And in conclusion, the Gila River Indian community, the farms and the individual farmers, are determined to continue the development of agriculture on the Gila River Indian Reservation. The support of the Department of Agriculture and the Department of the Interior is vital. We appreciate the opportunity to present all our views and look forward to working with the committee and the implementing agencies in the future. Thank you.

Senator **Daschle**. Thank you, Mr. White. Calvin Waln.

[Prepared statement of Mr. White appears in appendix.]

STATEMENT OF CALVIN WALN, MEMBER, ROSEBUD SIOUX TRIBE, ROSEBUD, SD

Senator **Daschle**. Excuse me. Calvin. I know your brother Carl as well. Calvin, we are pleased you are here.

Mr. WALN. Yes; I am pleased to be here, Senator, and we thank you for this opportunity to be here, and I bring you greetings from the Sioux Nation. I would like to start out, I guess, with basically agriculture historically has always been a part of Indian people. Since we were the first inhabitants of this country, agriculture has always been there. Senator Inouye mentioned would legislation straighten things out. Well, in many cases, legislation has caused many problems for our tribes which we will get into here in our fractionated interest problems. But we originally had treaties with this country that set things up as to how Indian tribes would be represented.

Then legislation started coming in meaning the General Allotment Act, the Homestead Act, and then led to court cases which diminished our land basis and are still today diminishing our land basis. The fractionated interest problem that we have on all our reservations is we have 160 acre tracts of land, and we have hundreds and in some cases thousands of heirs to this land. They are wanting to sell this land. The land is economically, you know, not productive for them. They are getting no use out of it. It is costing the Federal Government through the BIA millions of dollars a year to try to manage this land, to print 85 cent, 2 cent checks, to landowners in here. We have a huge problem there that for years Congress has been aware of, we as Indian people have been aware of, and nobody can seem to get a handle on that problem.

In the fractionated interest problem, the tribes have attempted to purchase these fractionated interests through loans provided by the Farmers Home Administration. Some of our tribes who have done this are in the delinquent status with these loans. The problems that put them in a delinquent status, many of the problems are that the fluctuating economy of your cattle prices, your grain prices, and stuff that your leases get adjusted anyway to that. You have prairie dog problems. You have land where you have so many heirs you cannot lease the land. The tribe is a part owner in that land, but the other heirs cannot agree on what should be done with the land, who is to lease the land. It sits idle. So you do not get the income coming in to meet your loan payment to FmHA. It causes problems. FmHA currently has a $2 million loan program at 7 percent interest right now to tribes to buy this land.

The 7-percent interest rate with the problems I just discussed previously with you make it very difficult to cash flow out these loans and make them work. What we actually need is some loans with a low interest rate if loan funds are going to be available to tribes. The FmHA has their program for socially disadvantaged farmers and ranchers that come in to purchase land and stuff, and it is at a 5-percent interest rate. But the problem with that is that when you walk in an FmHA office, you have regulations that say you got to have 30 percent equity in this loan. Well, if I need 30 percent equity in that loan, and I have 30 percent equity to get this loan, you cannot classify me as being socially disadvantaged.

That portion of the 30-percent equity somehow needs to be addressed in there, you know, and get knocked out of there because our local office, I know, turns back money every year in this program because nobody is accessing that program because they do not have the 30-percent equity that they need in these loans. Your fractionated interest problem right now if your tribal members operate on leasing land, they cannot build a stable land base. They cannot do a stable cash flow because they are continuing on a lease basis. Five years; they do not know if they are going to have it in 5 years. If tribal members were allowed to purchase fractionated interest and then turn around with their tribe and consolidate the fractionated interests up so that they are consolidating a land base, that would be a major, major step in helping Indian agriculture.

There currently are two CFRs in title 25, and they are 151.7 and 152.25, which hinder this and say that you cannot do this. It is possible through these, but you go through so much redtape, so many months and so many years to get this done, that it is virtually impossible and a waste of time to even start doing it. If you could get a waiver of those two CFRs, then you could get something done. Part of that CFR is gift conveyances. Okay. Many older people who own land, pieces of land, and want to gift convey it to a grandson so that he has a bunch of land he can consolidate, they cannot do that unless they get a special waiver through the BIA which takes 5 to 6 months to do that, sometimes over 1 year.

FmHA offices really need to be on the reservation. Okay. Because we are a unique people. We have a unique status and the barrier that says that we are high risk people really is not as big as people think it is. It is a lot smaller if people are actually on the reservation and can see this. I would just like to point out here, though, a few facts on testimony provided by USDA and the Bureau here on some figures that were provided here that I see some huge problems with here. USDA in their report said there are 46 million acres of land being farmed out there by Native Americans. The BIA in their testimony states there is 41.3 acres of range land, and 2.4 million acres of farm ground for a total of 45.5 million acres of land. There is a huge discrepancy there. So I mean, you know, nobody knows what is going on in Indian country, who we are, who has got a handle on what is actually out there.

The USDA testified that of this 46 million, 43 million acres is owned by the operators out there, and 2.8 million is leased. The Bureau in their testimony states that 35.6 million acres is tribal, and 9.5 million acres is allotted for a total of 45.1 acres. Our figures, you know, they are not matching up here. In the Bureau's fiscal year 1991 budget, that is out and available, the Bureau in there states that there is 52 million acres of land out there. We got to get a handle on what is happening here. The 1987 BIA Natural Resources and Information System Inventory Production Report, which I have a copy of here, states that in your range units, there is 30,658,599 tribal acres; 2,880,465 acres of alloted land; and in leases there is 19,139,044 acres of tribal land, and 3,076,037 acres of alloted land for a total 55,754,000 acres out there. You know, there are some huge problems here in the figures. And what this shows is that over the past 100 years, there is a huge lack of rather than administering of the Government's trust responsibility. Nobody knows what is going on out there in Indian country, who we are, what we are about, what resources we have, what we can do to develop these resources.

We are sitting here and we are starting to point these things out, and we would love to make ourselves available to assist your staff, USDA, and the Bureau, whomever, and trying to get a clear picture of actually what is out there in Indian country for agriculture and what we can do to develop and enhance and make these operations successful and viable in Indian country. And with that, I will close right now and be open to any questions you may have.

The CHAIRMAN. Thank you, Calvin. Mr. Collins.

[Prepared statement of Mr. Waln appears in appendix.]

STATEMENT OF GARY COLLINS, NORTHERN ARAPAHO, ARAPAHO, WY

Mr. COLLINS. Thank you, Mr. Chairman. My name is Gary Collins with the Arapaho Tribe from Wyoming on the Wind River Indian Reservation and also in the audience today are members of both the Shoshone Business Council and the Arapaho Business Council of which both chairmen Mr. John Washakie for the Shoshones and Mr. Burt Hutchinson from the Arapaho Tribe are here. I represent more wholly the member tribes of Indian Agriculture Council and want to express my gratitude to them for allowing me to present this testimony in their behalf. The problem, as we see it as IAC which is all inclusive, of course, is that agricultural opportunities exist with Native American people since they have land, water and labor usually readily available. However, the major problem that is prevalent is the lack of capital.

Admittedly, the FmHA, the Farm Credit System, and BIA have been involved in loaning funds to Indian operators, but somehow these avenues of financing are slow, inefficient and prohibit opportunities to Indian operators. My point, Mr. Chairman, is that the criteria, timing, and inadequate technical assistance are burdens to Indian agricultural development. Thus, capital required for Indian country to utilize its natural and people resources just is not available. Some of the recommendations that we have discussed and I will outline here certainly have been discussed to some degree in previous testimony as previously indicated.

These recommendations certainly would be practical and one of those certainly, Mr. Chairman, is that the sovereignty of tribes needs to be more readily recognized. If this was understood as a government-to-government relationship and the playing field was one of being level, then I would believe that a lot of the introductions and some of the guidelines of the regulations that we do address in the CFR from the BIA and other guidelines would not have to be rehashed every time. Certainly, the sovereignty of tribes needs to be addressed.

Additionally, capital should be readily available to more fully utilize the natural resources. This certainly is an area in the private sector where natural resources are prevalent. The private sector money is available for their development in a timely and useful manner. The primary avenue for startup and expansion funds is to establish FmHA and ASCS and Cooperative Extension office exclusively or primarily for Indian agriculture on or very near Indian reservations. The intended result would be to provide more efficient and localized assistance to individual farm and ranch operators.

Currently, the Wind River Indian Reservation has an extension agent, and is currently looking for ASCS and SCS opportunities. This process was started well over 2½ years ago. It tracks very closely with IAC as a national level, and we are hoping to see some positive results of this effort of reestablishing the extension agent scenario. We have primarily sought out these alternatives since we have been running into FmHA, ASCS and other government entities that we do business with as being somewhat biased or the indications are that while those programs and policies are covered under the BIA. Therefore, tribal operators, ranchers and farmers have no place to go. We look at foreclosure on a regular basis because we need the additional capital to maintain the integrity of whatever operations that we have.

So basically the red tape seems to be bogged down quite a bit, and it ultimately causes some concern with regard to foreclosure procedures and the disincentives for new operators, younger operators, to partake in agricultural areas. An additional recommendation would be the creation of financial demonstration project with some funding adequate to utilize for the operators and to provide the incentive to develop natural resources, primarily land and water so that younger generation farmers and ranchers who opt not to leave the reservation environment can have an opportunity to provide a family life for themselves.

Certainly this would hopefully not be under-capitalized, therefore dealing with a non-successful entity from the start. Ironically, more financial and developmental attention is focused by the U.S. Government on Third World countries. Third World countries usually do not have the infrastructure of waterways, utilities, transportation networks, whereas Indian reservations have that already in place. But ultimately, the financial assistance that is required in the development of these areas, adequate financing is not available. It is very ironic that we have the situation in the current era.

Some other specific recommendations, Mr. Chairman, is that the required paperwork and review by supervisory personnel of FmHA usually hinders the FmHA participant to adequately participate in a positive cash flow opportunity. Applicants have reported lead times for BIA or FmHA action on loan requests up to 2 years or more. This long approval process certainly determines a negative end-result with regards to the timing and so forth. And speaking from an operator's standpoint, there is opportunities that come by on a regular basis whereas if the capital was available that a more efficient operation could be utilized.

For example, if the early spring year has adequate grass and pasture ground, then certainly an opportunity could be made to provide more financing to develop a larger cattle base to participate in this opportunity. Simply, Mr. Chairman, the burdensome procedures by the FmHA limits or eliminates the rancher's ability to be flexible in the marketplace. The short-term 1-year nature of operating loans provided through these programs ignores the long-term nature of agricultural production. Markets fluctuate monthly, sometimes daily, which greatly impacts cash flow projections for financial farm plans, and highly successful operation can be unprofitable on paper. For this reason, we believe a program which approves operating budgets on a 5-year basis with a simply yearly reporting requirement will be much more appropriate than an existing year to year approval process.

The once every 5 years application would also greatly reduce the paperwork and time lag. In essence, Mr. Chairman, this would be a basic line of credit with regards to the Federal lending entity. The IAC additionally opposes the FmHA 7 year eligibility for operating loans or a time limit of eligibility on Indian agricultural projects, especially when the operator is not in default. The long-term requirement of developing land for successful results prompts this opposition. Additionally, the direct loan farm operating loan approach is preferable as opposed to the guaranteed farm operating loan for Indian agriculture. These programs do not address the limited collateral position, short-term nature, or jurisdictional problems in accessing commercial credit sources on reservations, which usually would be required for some longevity of the process.

This would also require lenders to work more closely with Indian operators during times of economic adversity. Certainly, this would cause the operating budget of the particular farmer operator to be consistent with the incentive than a regulatory issue. Additionally, approximately one-third of the guaranteed farm operating loan budget was utilized in fiscal years 1988 and 1989 while over 92 percent of the direct farm operating loan budget was utilized in fiscal years 1988 and 1989. A recommendation would be to allow the operator once again to establish a line of credit.

Quite frankly, Mr. Chairman, the risk in Indian agriculture should not be perceived by financial institutions and government programs as being substantial, if properly recognized. In conclusion, I would like to emphasize that Indian agriculture is undercapitalized especially with other natural resources available to Indian people. Access to successful financing through various agencies should be a priority to Indian agriculture. Results from these efforts certainly would increase the quality of life in Indian country in addition to causing less of a burden through a social structure rather than a real job type incentive. And so we view that the regulatory issues that we deal with needs to be oriented to more an incentive base than regulatory. Thank you. I will be open for questions if needed.

[Prepared statement of Mr. Collins appears in appendix.]

Senator DASCHLE. Thank you, Mr. Collins, for an excellent statement.

Calvin, I would like to go back to something that you have devoted a good deal of attention to in your statement, and that is fractionated lands and the impediments to dealing with agricultural management as a result of those fractionated lands. The two areas of difficulty that I gather you feel to be the most crucial here are the BIA regulations and an unacceptable rate of interest from the Farmers Home Administration. Number one, is that a correct interpretation of your statement?

Mr. WALN. Yes; it is.

Senator DASCHLE. Of the two problems, do you see that one is far more significant than the other? In other words, if we could eliminate the interest rate problem, could you contend them with the BIA regulations or vice versa, if you eliminated the regulatory morass that exists here, can you deal with the interest rates?

Mr. **Waln**. Preferably my choice, Mr. Chairman, would be if you could reduce the interest rate and then we could get a waiver with the Bureau. It would not be that difficult, I do not feel, to deal with in getting a waiver of those CFRs because if you allow tribal members to begin purchasing fractionated interests, you would take a huge amount of pressure off tribes who are trying to meet that when they have all these huge unmet needs out there they cannot service now with their tribal members. It would free up money for them to address some of their unmet needs if tribal members had access to loans to start purchasing fractionated interests and building themselves a land base for their operations.

Senator **Daschle**. Would you consider the fractionated land problem the single greatest impediment to better tribal management of lands?

Mr. **Waln**. It most definitely is the single-most greatest impediment because it causes problems with us trying to get in the USDA programs if you want to get into CRP, your cost-share programs, or anything you want to do. If someone leasing the land just actually wants to get into a great plains contract to put water development and cross-fencing on this land, if he has got to deal with 150 heirs there is nothing he can do.

Senator **Daschle**. Senator Kerrey.

Senator **Kerrey**. No questions.

Senator **Daschle**. I want to thank each of our panel for their excellent comments and statements and you have provided us with a very valuable insight, and I appreciate your coming all this way to be with us this morning. Thank you.

Mr. **Waln**. Thank you.

Mr. **Collins**. Thank you.

Senator **Daschle**. I must excuse myself, but Senator Kerrey will chair the final panel, and at this time I will turn it over to him.

Senator **Kerrey** [presiding]. The next panel is Ms. Flora Milans, the Honorable Ed Lone Fight, and the Honorable Delia Antone. Good morning.

STATEMENT OF FLORA MILANS, ASSOCIATE DIRECTOR, RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION, GENERAL ACCOUNTING OFFICE, WASHINGTON, DC, ACCOMPANIED BY DEBRA RITT

Ms. **Milans**. Thank you. I have seated on my left Ms. Debra Ritt, who is the evaluator in charge of our ongoing work. Mr. Chairman, we appreciate the opportunity to discuss our findings on the U.S. Department of Agriculture's food assistance programs on Indian reservations. This work was done at your request as well as several other members of the Senate. Our work was confined to four reservations: Fort Berthold in North Dakota, Pine Ridge in South Dakota, White Earth in Minnesota, and Navajo in Arizona, New Mexico, and Utah.

The Food Stamp Program along with commodity foods have contributed to the improved diet of Indian households on the reservations. However, there are indications that some hunger exists on all four reservations we visited. According to recipients and community representatives, the major causes of hunger are: First, obstacles in applying and qualifying for food stamps; second, the heavy reliance on the Federal programs that are not intended to provide a full diet for most households; third, procedural requirements of the Food Stamp Program that influence the size and delivery of benefits; and fourth, high food prices that erode the purchasing power of food stamp benefits.

Of greater concern to those we spoke to is the prevalence of diet-related problems, such as obesity, diabetes, heart disease, and hypertension, and how Federal food assistance may have an impact on those diseases. In particular, while the limited variety, inedibility, and poor quality of some commodity foods are concerns for even healthy individuals, these foods can present serious problems for participants with diseases that require special diets.

Let me turn now to our observations. Based on our current and past work, the application process and asset limitation can be obstacles to participation in the Food Stamp Program. Illiteracy, language barriers, poor physical access, and a lack of understanding about program eligibility and benefits are factors that can make the administrative requirements obstacles for Indian applicants. Some of these obstacles can be minimized through better implementation of existing services. For example, funding for outreach services which has been reinstated by the Hunger Prevention Act of 1988 is available to States to promote informational activities regarding program eligibility, benefits and the application process.

People that we talked to told us that one change that could make the Food Stamp Program more accessible to Indian households involves the $4,500 automobile exclusion. They believe the exclusion, which has not been updated since 1978, limits participation in the program, can deny rural applicants the reliable transportation needed to comply with procedural requirements of the program, and does not account for inflation. Recognition of how some food stamp procedural requirements and administrative practices can impact food stamp benefits is important to addressing hunger on the four reservations.

Interruptions in food stamp benefits resulting from non-compliance with monthly reporting requirements can be partially addressed by adopting the reinstatement option that allows States to accept reports up to 1 month late with no interruption in benefits. In addition, recipients and community representatives believe that staggering the issuance of stamps throughout the month instead of issuing them to all participants concurrently might help discourage grocers from raising their prices when food stamps are issued.

Since many Indian households rely heavily on food assistance for their diet, providing quality food and proper education is important to the prevention and treatment of these diet related diseases. Ensuring that adequate nutritional variety is consistently available, the fat and salt content of the package are within moderate levels, expiration dates are placed on commodities, and inedible commodities are replaced, can improve the quality of diet provided commodity recipients.

Finally, improving the quality of diet for food stamp and commodity households depends on proper nutrition education to convince the Indian population with diet-related health problems to adopt the food preparation and consumption patterns that will benefit them. Proper nutrition education can better assure that program recipients are getting the maximum value from their food assistance benefits. This concludes my prepared summary. We will be pleased to respond to questions.

[Prepared statement of Ms. Milans appears in appendix.]

Senator **Kerrey**. In your opening statement, and in fact right at the beginning you indicate that the Food Stamp Program and surplus commodities have improved the diet of the Indian household. Is there an analysis that you have referenced to reach this conclusion?

Ms. **Milans**. Yes, sir; we have issued a report previous to this which indicates the same thing, and I believe we are finding this to be the case. That is not to say that there are not problems, but it has had an impact. Perhaps Mrs. Ritt would like to elaborate on that.

Ms. **Ritt**. The food programs have given them the opportunity to get an adequate diet which they may not have had before, given high unemployment on the reservations.

Senator **Kerrey**. One of the indications in here is that grocery stores are raising prices based upon a knowledge of when the stamps are going to be issued. Do you have any suggestions as to how Congress can address that problem?

Ms. **Milans**. GAO does not have a suggestion or a recommendation per se about that. What we were told by the recipients was that at one reservation, the food stamps are not distributed at the same time during the month, and I believe this is within FNS control or this can be done without the need for congressional action.

Ms. **Ritt**. I would like to elaborate on what Ms. Milans has said. At three reservations, Fort Berthold, White Earth, and Pine Ridge, the States have chosen to issue the stamps to all individuals on the same day each month. We found that they did not do this at the Navajo Reservation but rather stagger issuance throughout the month, and so it did not seem to be a problem at the Navajo Reservation because of that.

Senator **Kerrey**. So the staggering of the issuance of the food stamps seems to eliminate the problem?

Ms. **Ritt**. It seems to be the case for the Navajo Reservation, at least.

Senator **Kerrey**. Do you believe we spend a disproportionate amount of time and effort on outreach as opposed to nutritional assistance not only in education but in the training that obviously is needed for anybody to try to figure out what their diet ought to be?

Ms. **Milans**. I do not think it is disproportional necessarily. I think outreach varies depending upon the individual situation, and I think that the degree that the States fund outreach probably varies as well. I think the bulk of the funds—I believe I am correct in this—that the bulk of the funds goes for the assistance.

Ms. **Ritt**. Yes, right; I think we are talking about two different things when we are talking about outreach and nutrition education. We think of outreach as providing program information so people know how to apply and how the benefits are computed. With respect to nutrition education, it is up to the discretion of the Department of Agriculture and the Food Stamp Program in terms of how much money is going to be devoted to that, and with the commodity programs it is the State agency that is administering those programs that determine how much of their administrative budgets will be spent for nutrition education. And so we found a wide variance of effort on the four reservations.

Senator KERREY. Yes; that is exactly what I was referencing. I understand the difference between the two. But my question was directed at whether or not we spend a disproportional amount of time on one or the other, on outreach for eligibility versus nutritional education for the purpose of improving dietary consumption?

Ms. RITT. Well, we have seen, I think, very little of either at the four reservations. The Navajo Reservation seemed to spend the most amount of money on nutrition education. In terms of outreach and the people that we talked to, it was not obvious that a lot was being done to promote information.

Senator KERREY. You are saying the baseline for outreach and for nutritional education in most cases is so low that to do a comparative analysis of either is not appropriate? You really cannot do that kind of comparison?

Ms. MILANS. The specific education and outreach figures were not readily avaible from the Department of Agriculture

Senator KERREY. Well, more precisely, do you think that outreach should be mandatory as opposed to optional as it currently is, and similarly, with nutritional components, do you think that we should consider providing that either as an option or requiring it?

Ms. MILANS. We do not have a position concerning requiring versus giving the parties the options. However, I think as Ms. Ritt pointed out, the outreach activities are varied, and I think there is a need for greater outreach in some reservations, and that clearly the Hunger Prevention Act allows this and more can be done. Whether you want to mandate it or allow it as an option is clearly a congressional prerogative.

Ms. RITT. If I could just add something. Nutrition education is a component of both programs. It is already mandated in the legislation authorizing the two programs, but the level of activity is up to the discretion of the agencies administering those programs.

Senator KERREY. You are saying nutritional education is required as a part of the Food Stamp Program?

Ms. RITT. Yes; it is a component of it.

Senator KERREY. In what way is it a component?

Ms. RITT. It says that nutritional education should be provided, and the form, content and delivery of it is up to the discretion of the Secretary of Agriculture.

Senator KERREY. My understanding is that "at the discretion of the Secretary of Agriculture" means that it is not a required program. It is optional, but not required that those services be provided. Is that correct or incorrect? Is there a department representative here? Is that your understanding of it? Under the Food Stamp Program, is there a mandatory educational component, nutritional component?

Mr. BATKO. Outreach is optional. There is a provision in the act that requires the Secretary to provide nutritional guidance material that is made available to the States and is also then made available through the States to recipients.

Senator KERREY. But it is not required? In order to deliver food stamps, it is not required? If I am the deliverer of food stamps, it is not required of me to provide nutritional education as a part of that?

Mr. BATKO. I do not believe so.

Ms. MILANS. I think what we found at the food stamp offices were nutritional education brochures but that some of the individuals that we spoke with, who were food stamp recipients, were unaware of this information being available to them.

Senator KERREY. Consider that you are now going to be going back out and doing a further study, would it help if we were to make it clear that this commodity program is supposed to provide an adequate diet? Would it help, do you think, if Congress were to make it very clear that the commodity program's intent is to provide an adequate diet for individuals that are using it?

Ms. MILANS. Well, I think that would clearly help. I think the interpretation right now according to my understanding is that both the food stamps and the commodity program are not intended to provide a full, adequate diet. They are to be supplemental provisions of food, but I understand in December 1989 the Department of Agriculture has taken a look at its commodity program and has proposed increasing fruits and vegetables and reducing some of the fat in its monthly commodity distribution, and is asking for comments on that. And that seems to be more in line with what is needed to have a nutritious diet.

Senator KERREY. That is not my understanding. Would USDA again comment? My understanding of the Food Stamp Program is that it is supposed to provide an adequate diet, and the commodity program is supposed to be a complete substitute for it. Is that correct or incorrect?

Ms. FROST. Food distribution is supposed to be—I think the words of the regulation—a reasonable alternative to the Food Stamp Program. It is supposed to approximate——

Senator KERREY. Then the Food Stamp Program itself is supposed to provide an adequate diet; is it not?

Mr. BATKO. I think that what GAO is getting at is that if you have no income you can get a full coupon allotment which is supposed to provide for an adequate diet, but because of net income, if a person has a net income or their income goes up, they would get less food stamps. So that is supplemental.

Senator KERREY. You are talking about a means test that adjusts the benefit according to income, but the overall intent of both food stamps and the commodity distribution program is to provide an adequate diet, and what I am hearing is, in fact, that we are not accomplishing that objective. We are not attaining the objective of an adequate diet, but not because we have not declared that that is, in fact, the objective of the program. I understood your answer to be that food stamps are not intended to be an adequate diet, they are not provided with the intent of accomplishing that objective of an adequate diet.

Ms. MILANS. What the Agriculture gentleman said was what I was getting at. That there is a means test, and so it is expected that, about 30 percent of the household's income should be available to supplement the food stamps each month so that with what they spend plus the food stamps, then would be an adequate diet. The same assumption, I understand, is also made about the commodity program that each month the 50 to 75 pounds of food, which are distributed, is considered to be also a supplemental program, and that those who are on the commodity program should also have some capability to purchase food or provide other food. That is my understanding.

Senator KERREY. Let me ask a question on that transportation issue because all three of the witnesses, in fact, in their testimony express some concern about the vehicle exclusion, and you indicate in your evaluation of the program that some participants have to travel up to 165 miles to receive the food stamps. Is there some alternative that can be developed? We are working in an era of fairly high speed communications where this Nation moves billions of dollars of bonds everyday through electronic communications. It seems to me that we ought to be able to consider a similar sort of transfer for food stamps. Is there some alternative that you have considered as you have looked at this rather significant barrier?

Ms. MILANS. I think I will let the other representatives answer that as well. I think you have a situation where while there may be clearly alternatives, but the physical conditions are such that I think in some reservations maybe 15 percent of the recipients do not have refrigerators. So you are talking about a situation where if you need your food stamps and you do not trust the mail, you are going to try to get to that office to make sure you have a timely delivery of your documentation. And so I do not have a suggestion right now as to how to alleviate that, but perhaps the other witnesses do.

Ms. RITT. I have something. I think that the food stamp offices are recognizing that physical access is a problem, and we noticed on some reservations they offer itinerant services where they will go out to various areas and have office hours for 1 day or 2 days a month. So that is making it a little bit more convenient. However, those services are very limited. Another thing that they can do is waive the in-office interview, and I am not sure what the criteria is that they apply to those eligible for phone interviews, but that is something that is being used on the four reservations as well.

Senator KERREY. I must say that I do not know who asked for the GAO look at this thing, but I am concerned that it does not provide me, at least on a first reading, with enough information that I am able actually to reach decisions. It lays out the problems, but one of the things that we need when we get this kind of analysis is, I believe, a bit more detail upon which we can make policy decisions. With all due respect for the analysis, I am concerned that there is not that kind of precision that enables us, in fact, to weigh the policy options and then to make a decision as to which policy we have to pursue.

We are very much concerned about the program providing nutritional adequacy, very much concerned about the bureaucratic problems that we have been hearing about, people unable to either get the stamps or having to travel a long distance and all that sort of thing. And it seems to me that this report does not quite get to the point that at least I, as one member of the committee, need to be in order to make the kind of policy decisions that we are going to have to make.

Ms. MILANS. Well, this work is ongoing, and we hope to have a report in May, and what we have here are our observations at this point.

Senator KERREY. Well, if that is the case, let me be more precise. I am concerned that you may not understand, or I in truth might not be picking it up from you correctly, what the Food Stamp Program and the Food Distribution on Indian Reservations Program are supposed to try to accomplish. I am not saying anything new to you. This is a policy objective that people like me have to try to make work. We have to sell it to the taxpayers and the people receiving it want to make it work, and what we are trying to get in this analysis are some guidelines that will help us determine what sort of policy corrections we can make. And I must say to you with all due respect that I am concerned in listening to some of your answers that you may not quite be clear on what the Food Stamp Program and the Food Distribution Program on Indian Reservations are supposed to try to accomplish. I do not know how much coordination you have done with USDA as you have done this analysis, but that is a concern that I personally have.

Ms. MILANS. I apologize for giving that impression. I am new to the agriculture area myself. As a matter of fact, this is my first testimony in the agriculture area. Previously, I have been working in the energy area. I can assure you that we do have a staff who is very, very knowledgeable. Mr. Jerry Killian is the assistant director responsible for these programs. Ms. Ritt is the evaluator in charge of this particular study. We have coordinated with the Department of Agriculture extensively, and I can assure you that the knowledge of the food stamp programs, while individually I have been cramming for this session, the knowledge institutionally is there, and you can rely on it.

Senator KERREY. Let me just make a suggestion then as you move toward May. I think most of the people on this committee can take bad news. And this is a very important effort I believe and the nutritional component is very important to me. I am struggling trying to figure out how to make our nutrition programs work, what does work, what does not work, how we can set the rules in place so that USDA is able to get the job done. I mean we genuinely are, I think, most of us on this committee, trying to figure out how to make these programs work. So any effort that you can make to make this report as hardhitting as possible will serve us well as we try to make policy decisions about the Food Stamp Program and the Food Distribution on Indian Reservations Program.

Ms. MILANS. Okay. Another of the areas which is part of our ongoing deliberations is the $4,500 automobile exclusion which we brought up in the testimony. That was a 1978 figure. If you updated that with consumer price index or some other deflator, I guess we would be at about an $8,000 exclusion. Now that is one area that has dollar implications obviously for the program, but that is one area that we will be taking a look at. That affects not only the rural but the urban areas, and that is part of the trade off in the decisions. Indian tribes, Indian population, clearly as well as other rural areas, have a stronger demand and need for that kind of an exclusion. When you talk about the urban area and the Food Stamp Program as a whole, then the need may not be as strong on that. So that is part of the deliberations that is ongoing as we take a look at this program.

Senator **Kerrey**. Thank you very much. Mr. Lone Fight.

STATEMENT OF EDWARD LONE FIGHT, CHAIRMAN, FORT BERTHOLD TRIBE, NEW TOWN, ND

Mr. **Lone Fight**. Thank you, Mr. Chairman. My name is Edward Lone Fight, chairman of the Three Affiliated Tribes, and pleased to be given the chance to provide testimony on commodity food distribution and Food Stamp Program on Indian reservations. In the interest of time I believe I will proceed, even though I have a prepared statement, I am going to kind of skip here, and if there are any other specific questions that you may have, I will be glad to provide a response at a later date. I will go right directly to the recommendations that we have made.

Recommendation No. 1: The commodity food program is to meet the guidelines as set forth in the 1988 Surgeon General's report. The following recommendations are made. Further reduction in fat and sodium are needed; provide fresh fruits and vegetables as part of the food package; offer cheese lower in fat content such as low fat mozzarella cheese; provide soft polyunsaturated tub margins in place of butter and shortenings; provide evaporated skim milk in place of evaporated whole milk; provide nutritional labeling on commodity food items.

Recommendation No. 2: Generally the commodity food program offers foods that need preparation from scratch. The majority of young Indian eligible family recipients do not know how or may not have the skills and/or time for baking and cooking such as breads and casserole dishes. Items such as flour, dry milk, shortening, and powdered eggs may not be utilized. Nutrition education should be provided and more ready to use products should be included in the food packages.

Recommendation No. 3: Add to the commodity food package products such as biscuit mixes, cake mixes, low fat dehydrated soups, pudding mixes made with skim milk.

Recommendation No. 4: To ensure a variety of foods and provide fresh produce rather, develop a food package using a combination of commodity food items and food stamps.

Recommendation No. 5: Nutritional education programs need to be strengthened with literature and recipes geared to participant levels of education. Food demonstration and classes need to be enhanced and food budgeting and purchasing methods need to be taught. Nutrition education needs to be provided for the commodity food program and the food stamp recipients.

Recommendation No. 6: The application procedure for food stamps needs to be streamlined.

Recommendation No. 7: For those households with little or no income, a total food package needs to be provided. The above recommendations will allow reservation residents to follow the guidelines of the Surgeon General's 1988 report which promotes a diet that emphasizes the consumption of vegetables, fruits and whole grain products, foods that are rich in complex carbohydrates and fiber and relatively low in calories, and of fish, poultry prepared without skin, lean meats, and low fat dairy products selected to minimize consumption of total fat, saturated fat and cholesterol. Thank you.

[Prepared statement of Mr. Lone Fight appears in appendix.]

Senator **KERREY**. Mr. Lone Fight, in the GAO evaluation of the program, one problem was identified that when information is old, a couple months old, for example, there could be a reduction in benefits as a consequence of that. Income levels being recorded as higher than they actually are by the individual. Is that a problem that you see as well?

Mr. **LONE FIGHT**. I believe so. I think we have a high unemployment on most of the reservations including Fort Berthold. Fort Berthold we have about 47 to 79 percent, and over the time we have seasonal jobs and that sort of thing. So when it catches up, I think that observation is accurate and valid.

Senator **KERREY**. Can I ask the USDA people again, have you seen this testimony and the suggestions that are being made here?

Mr. **BATKO**. No; I have not seen the testimony.

Senator **KERREY**. You basically heard the general outline of it though, some requests for improved nutritional content, and some additional nutritional education where preparation of food is required. How difficult is that going to be to accomplish? It does seem to me to be a reasonable request to ask that the commodity program contain food that is consistent with the guidelines of the Surgeon General particularly where you may have an at-risk population.

Ms. **FROST**. We have been attempting over the last 2 or 3 years——

Senator **KERREY**. Could I get you to use the microphone?

Ms. **FROST**. My name is Alberta Frost. I am the director of Food Distribution Program for Food Nutrition Service. Over the last 2 or 3 years, we have been attempting to make changes in the food package that would specifically address the issues of lowering sugar, fat, and salt in the package. We made some changes about 2 years ago, and as GAO reported, we have some recommendations now that the tribes have been reviewing and commenting on that include things like increasing the levels of juices and canned fruits and vegetables and lowering some of the volumes of higher fat food that we distribute.

There are a couple of problems contained in all of this. One is given the distribution mechanisms and indeed the storage facilities that are present at many reservations, we have a hard time handling fresh products in the program, and we rely very heavily on canned products. So there is a built in limitation about how much fat and salts you can take out of products that are canned. But we are, as I said, making attempts to do what we can in that area. In terms of processed foods, those tend to be of a higher cost so I would have to point out that any additional processing like offering a biscuit mix or some of the things that were mentioned will have budget impacts.

Mr. **Batko**. I am representing the Food Stamp Program so in terms of nutrition assistance there and outreach in general, one of the reasons that there may have been low evidence of outreach efforts on the reservations when the GAO field work was being done was that the funding for outreach, Federal matching funds for outreach would not be available until July 1 of last year. So we are just getting back into the outreach side of it. On nutrition education, there is a program that FNS has run "Making Your Food Dollars Count" that GAO did mention in their report. So there are some activities going on along those lines.

Senator **Kerrey**. Also in the GAO analysis, in each one of those focus groups, there was identification of spoiled or inedible food products in the Indian food distribution program.

Ms. **Frost**. We are very concerned about that finding and would like to check into it further. We have got several other sources of data. We get preference reports that come in from the tribes. We have a complaint system. We have been doing our own study that includes interviewing individuals, and we are on about the same schedule the GAO is. We are expecting to produce a report in May, and we have not gotten information like GAO reports from any of those sources. But we are concerned about it and want to follow up on it more.

Senator **Kerrey**. From your sources you have had no indication of spoiled or inedible foods?

Ms. **Frost**. No; we do not. We have a complaint system for all of the commodity programs, and I believe in the last year we have had perhaps three complaints from the Indian program. And we have, I would not want to suggest that there are not things that go wrong with the food. Certainly that happens, and we have indications that some of the food could be presented in different forms, but we have got no reports of problems with inedible food.

Senator **Kerrey**. Mr. Lone Fight, does that track with your experience? Are you receiving complaints of commodities that are inedible or spoiled?

Mr. **Lone Fight**. I have received some complaints, yes, but I will provide that information.

Ms. **Frost**. Yes; I would like you to do that.

Mr. **Lone Fight**. Okay.

Senator **Kerrey**. Well, I would appreciate as well, if you would let us know what improvements we can make in these programs. Particularly in the areas we have just identified, because we have heard of problems as well, and we simply have no way of tracking them. It seems to me that if, you have a situation such as GAO has identified, where a responsible party is acting irresponsibly, you need to turn to us and ask us to help stop that. It was not the commodity distribution program in this particular case, but where we have examples of grocers that are jacking up prices, That has got to stop. That is irresponsible. And I am prepared to call it irresponsible publicly. So, you need to ask us to help you, because I think you will find us fully prepared to do that.

Ms. **Frost**. Thank you, Senator.

Senator **Kerrey**. Mr. White.

STATEMENT OF THOMAS WHITE, GOVERNOR, GILA RIVER INDIAN COMMUNITY, SACATON, AZ, REPRESENTING THE INTERTRIBAL COUNCIL OF ARIZONA

Mr. **White**. Yes; my name is Thomas White, and I am the Governor for Gila River Indian community. I am here to present the testimony for the Intertribal Council of Arizona, and this 11 page document that is presented to the committee, Mr. Chairman, highlights all the related health conditions of Indians throughout the State of Arizona. It highlights diabetes, hypertension, dental disease, lactose malabsorption and obesity, and toward the end it highlights the food distribution program on Indian reservations and some recommendations for food stamps and also some recommendations for women, infants and children, and recommendations according to that program, the nutrition program administered by the Department of Health and Human Services, Administration on Aging, and also child care food programs. And under all those categories they highlight some recommendations, and I hereby submit this testimony for the record to your staff.

[Prepared statement of the Intertribal Council of Arizona appears in appendix.]

Senator **Kerrey**. Let me followup on a question I asked Ms. Milans regarding the automobile allowance. Notwithstanding my concern that there may be some procedural changes that would eliminate that requirement, and I would restate that my concern is that we not overlook some possible solution that would reduce the requirement for 165 mile trip, whether it is longer eligibility periods or something that would decrease that kind of travel, would it help, and I ask all three of the witnesses, would it help if we allowed the possession of one automobile without regard to value for the purpose of reducing that burden? In other words, we would allow the recipient to possess one automobile without any attempt to calculate its value.

Mr. **White**. Yes; I think that would be helpful because when you get into the value of automobiles, and then you have to consider the age of the person that owns the vehicle and insurance factors that get involved into it. Say the situations of an 18 year old to a 22 year old, the insurance rate in owning an automobile and having an automobile listed under their names goes up to about $1,100. So that factor has to be considered as part of ownership of an automobile.

Mr. **Lone Fight**. I agree also.

Ms. **Milans**. Clearly, it would solve a large portion of what we were told the transportation problems were.

Senator **Kerrey**. Mr. Lone Fight or Mr. White, will either one of you comment on the issue of lack of refrigeration which has been mentioned twice as a problem for the Food Distribution Program? Particularly, we are hearing about the inadequate presentation of fresh fruits and vegetables. That, of course, is not possible if there is an absence of refrigeration on the part of the recipient. Is that a generalized problem?

Mr. **Lone Fight**. I believe it is in Fort Berthold. We have about 80 percent of the residents live in HUD housing, and the HUD houses require—I mean they supply some of the appliances, and there could be some breakdown in some parts or something of that nature.

Senator KERREY. Has USDA done studies or evaluation of this nutritional education aspect? I am trying to determine, first of all, what correlates with good nutritional intake? Do higher income levels? For example, would we just be better off putting all of our time and energy into trying to improve individual standards of living? Does education, nutritional education itself work? Is there anything that we can do to improve this nutritional aspect of the program?

Ms. FROST. I think we could supply you something, Senator, to try and answer some of those questions. I am not really in a position to be able to answer them, but I know there are people at the Department of Agriculture that look at those kinds of issues.

Senator KERREY. Well, I would like to know precisely what correlates with improved nutritional intake so that we make sure that we are putting our attention, and also the tribes' attention into those things that are apt to improve nutritional output. I mean if, for example, it is shown that the most positive correlation is the income level of the individual, and I suspect there is a significant contribution made by the income level, then it seems to me that we do not in the process of trying to provide a food supplement and an adequate diet, lose sight of that objective.

We have opened up here this morning a whole series of questions and requests, to improve the nutritional content of these programs. And again, I said as one Senator on the committee, and I suspect that it would be unanimous, that we would be prepared, short of doing something unconstitutional, to provide USDA with the authority to make immediate changes so as to improve that nutritional output. I am offering myself as one individual who is concerned about the problems that GAO has identified, and by some of the issues that the witnesses have raised, and I am not suggesting by any means that it is USDA's fault. I suspect these are issues that we are going to be working on for a long, long time just trying to make incremental progress. And I would just like to make sure that we do.

Ms. MILANS. If I might add, that in the course of our work, the recipients and community representatives we spoke with suggested in the nutrition education area that they would like to have cooking demonstrations to cook nutritious meals with the commodities provided, and also they would like one-on-one counseling, especially those who have special dietary needs, those who have the problems with the diabetes and so on. Those were two suggestions made to us during the course of our work.

Ms. FROST. The current program encourages nutrition education, and the department does, in fact, provide administrative funding to the tribes, but currently it is up to the tribe to decide as a part of the way they are going to run the program whether they want to include a nutrition education component.

Senator KERREY. Are there barriers here that have not been addressed? I mean, for example, are there bureaucratic walls that separate your jurisdiction from somebody else's jurisdiction? I am thinking in particular of agricultural extension which does an awful lot of this work in the non-Indian population. I am thinking as well of Public Health efforts that are made in our attempt to improve nutritional intake. Are there bureaucratic barriers that make it difficult for us to get the job done?

Ms. **Frost**. I am not aware that there are. We work very closely with the Indian Health Service, and I am not aware that the problems that exist are because of any bureaucracy or misunderstanding of responsibilities or anything like that.

Senator **Kerrey**. Well, that surprises me just a little. I want to thank all of the witnesses for their presentations. It has been very helpful to me personally, and all the remarks and testimony will go in the record, and thus it will be very helpful for the full committee. Thank you.

[Whereupon, at 12 noon, the joint committee hearing was adjourned.]

[Material submitted for inclusion in the record follows:]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

STATEMENT OF
BRUCE GARDNER
ASSISTANT SECRETARY FOR ECONOMICS
U.S. DEPARTMENT OF AGRICULTURE
BEFORE
THE SENATE AGRICULTURE COMMITTEE
SELECT COMMITTEE ON INDIAN AFFAIRS

FEBRUARY 20, 1990

Thank you Mr. Chairman for the opportunity to testify on the 1990 Farm Bill as it relates to the American Indian. I would like to outline the current situation of Native Americans in agriculture. Then I will review some of the USDA programs that are most important to Native American communities, and to indicate how our 1990 Farm Bill proposals fit in with Indian concerns.

The 46 million acres of farmland operated by American Indians made up 4.7 percent of all farmland in 1987. Forty-three million of these acres were owned by the operator, leaving only 2.8 million acres rented or leased. The average Indian-operated farm was 6,402 acres, compared with a national average of 462 acres. Two factors influence the large average size of the American Indian farm. One is that about three percent of American Indian farms are reservation farms, which are cooperatively owned and count as only one farm for census purposes. The other factor is that only 1 percent of the farmland in American Indian farms was harvested cropland. This implies that a large percentage of the American Indian farmland is less intensively used rangeland and woodland. In fact, a majority of farms, about 58 percent, had fewer than 140 acres.

The majority of Indian-operated farms are found in six States: Oklahoma, North Carolina, California, New Mexico, South Dakota, and Montana. The farmers and ranchers in Oklahoma and North Carolina are typically nonreservation residents who own their land individually; there is usually a reservation connection in the other states.

The value of agricultural products sold from farms operated by Native Americans tends to be relatively low. The average market value of products sold was $38,337 in 1987 (compared with $65,165 for all U.S. farms), an increase of 16.7 percent since 1982 (compared with an increase of 10.7 for all U.S. farms). Most Indian-operated farms (68 percent) had less than $10,000 worth of product sales.

About 16 percent of the farms operated by Native Americans received more than half of their sales from major program commodities: 10.2 percent were cash grain operations, 0.4 percent were cotton farms, 3.7 percent were tobacco farms, and 1.2 percent were dairy operations. There were 245 Indian farmers (3.4 percent of the total) who received Commodity Credit Corporation loan payments in 1987. They received a total of $3.13 million. The average loan payment per farm participating was $12,759, compared with $27,693 per farm nationwide. Nine hundred sixty-six Native American farmers (13.5 percent) received a total of $8.77 million in direct Government payments in 1987. The average payment per farm participating was $9,080, compared with a national average of $13,800.

Many Native American farm operators have off-farm jobs to supplement their farm income, and others are employed primarily in nonfarm jobs and farm only on a part-time basis. Less than half of all Native American farmers (43.5 percent) reported farming as their principal occupation in 1987, compared with over half of all U.S. farmers (54.5 percent). Native American farmers are also slightly more likely than farmers nationwide to report at least some off-farm work (67 percent versus 57 percent in 1987).

My review of USDA programs covers four areas: Commodity programs, administered by the Agricultural Stabilization and Conservation Service (ASCS); farm credit programs, administered by the Farmers Home Administration (FmHA); the food programs of the Food and Nutrition Service (FNS), and programs of the Extension Service. In addition, the Soil Conservation Service, Forest Service, Agricultural Cooperative Service, and Rural Electrification Service have programs involving Native Americans.

The ASCS programs include production adjustment, price support, and various conservation programs (which include provisions for low income eligible producers to receive up to 80 percent cost share on conservation projects), wool and mohair payment programs, and the livestock feed programs.

The Indian Acute Distress Donation Program (IADDP) is designed to assist Indian livestock producers when economic distress of needy members of an Indian tribe is materially increased by severe drought, flood or other uncontrollable catastrophe affecting land designated for Indian use which is utilized by the members of the tribe for grazing livestock. This program is administered in accordance with a Memorandum of Understanding between USDA and the Department of Interior. USDA, through ASCS, in conjunction with BIA and a tribal representative, determines whether conditions on the tribal lands warrant the implementation of the program. If the program is implemented, USDA, through the CCC, donates grain to the Bureau of Indian Affairs (BIA) in the Department of Interior. BIA administers the program at the local level by determining the needy members of the tribe and authorizes those members to receive the donated grain from a central location. The BIA also guarantees payment of all costs and charges incurred by CCC, including such items as processing, handling, or bagging of the donated grain.

On November 6, 1989, USDA published a final rule in the Federal Register which provides that eligible Indian livestock owners may participate in both the livestock feed programs and the IADDP. Before issuance of this final rule, Indian producers could participate in only one of the programs.

The eligibility criterion for participation in the livestock feed programs is that the producers must be located in an approved county, must have suffered a 40 percent loss of their livestock feed, and do not have sufficient feed on hand to feed livestock for the duration of the livestock emergency. Participation in the IADDP is contingent upon approval of the tribe to participate and the economic need of the individual Indian. Thus far, we have approved six tribes to participate in the IADDP for the 1989-1990 winter feeding period. The amount of grain approved for donation to the needy members of the tribes is 23,400 tons.

Another program administered by ASCS that benefits many Indian producers is the wool and mohair program, especially in the western part of the United States where the character of the land and arid conditions are less suitable for other agricultural endeavors. Much of the income of Indians in these areas is derived from relatively small herds of sheep and goats. The Administration's proposal for the 1990 Farm Bill recommends that the National Wool Act of 1954 be extended with the provision that the current parity-based payments be changed to a target price/deficiency payment program that would give each producer the same payment rate per pound of wool and mohair sold, respectively. Our recommendation, if adopted, will continue the wool and mohair programs but will make these programs more consistent with supports for the major crops.

Turning to farm credit, FmHA provides credit to farmers and rural residents who are unable to obtain credit elsewhere at reasonable rates and terms. FmHA makes loans to Native Americans through the regular farm loan programs, including farm operating, ownership and emergency loans. In addition, the Agency has implemented the Socially Disadvantaged Outreach Program pursuant to the provisions of the Agricultural Credit Act of 1987.

In addition, the FmHA has several programs administered through the Community and Business Programs area that are of benefit to Native Americans. These programs include Community Facility Loans, Water and Waste Disposal Loans and Grants, the Intermediary Relenting program, and Indian Tribal Land Acquisition loans.

The amounts loaned to Native Americans through FmHA programs in Fiscal Year 1991 are:

Type of Loans	No. of Loans	Amount
Indian Land Acquisition	1	$ 120,000
Water and Waste Loans	6	2,512,200
Water and Waste Grants	0	0
Community Facility Loans	1	90,000
Rural Housing Loans (502 and 504)	178	5,193,000
Business and Industry Loans	0	0
Rural Housing (515)	1	4,000,000
Farm Operating Loans	159	5,616,000
Farm Emergency Loans	8	371,000
Farm Ownership Loans and Socially Disadvantaged Loans	38	2,786,000
Soil and Water Loans	3	36,000

While our Farm Bill credit proposals recommend a continued shift away from direct to guaranteed loans, direct FmHA farm loans would still be made available to Native Americans as a socially disadvantaged group. Our proposal for direct ownership loans is that they be targeted to socially disadvantaged applicants, which includes Native Americans.

With respect to food assistance, the Department's Farm Bill proposals request reauthorization of the Food Stamp Program, as well as other expiring food assistance programs including the Food Distribution Program on Indian Reservations (FDPIR). This program is available exclusively to Indian Tribal Organizations who wish to offer commodities instead of food stamps to Indians living on or near reservations. It will continue the current situation in which Indians may choose to receive either food stamps or community packages on a monthly basis.

FDPIR's origins date back to the early days of USDA's commodity relief efforts in the 1930's. While there has been a general movement toward food stamps since the 1960's, switching to food stamps was not popular with some Tribes and they testified before Congress that they preferred commodity distribution. In the 1977 Food Stamp Act, specific provisions were included to allow Indian Reservations to continue the commodity distribution program. Any tribe that requested to operate the program and was determined capable, could run the program for themselves. The result has been a successful partnership between the Federal Government and the Tribal organizations. The Food and Nutrition Service and the Tribal governments that run the Food Distribution Program on Indian Reservations have together worked cooperatively in the spirit of the Indian Self-Determination Act to meet the food needs of households living on or near Indian Reservations. USDA offers both training and technical assistance, and negotiates with the Tribes on the level of administrative funds provided.The program operates together with the Food Stamp Program--individual Indian households can decide for themselves which program they wish to choose, and they can switch programs from month to month if they wish.

Over the past several years, the program has expanded to reach almost all of the Indian Reservations that qualify to run the program. Indian Tribal Organizations have supported this program because it is run by the Tribe for the Tribe.

The food package that is offered contains as many as 60 items. The package has been evaluated recently and specific changes were made to reduce fat and sugar levels, increase the quantities of popular foods and add new foods to reflect nutritional needs and food preferences. Also, the program has regulatory provisions for nutrition education and administrative funds are available to each tribe to help defray the cost of providing nutrition education.

The Food and Nutrition Service also has a role in helping tribes provide messages that are effective and culturally sensitive. FNS has prepared training materials, fact sheets on commodities, recipes, tips on storage and food safety, and other aids to better nutrition education.

The Department is open to suggestions for ways to improve the Food Distribution Program on Indian Reservations. The Food and Nutrition Service is just now completing a study of the FDPIR which collected information from nationally representative samples of FDPIR programs and households, as well as from a smaller sample of Native American Food Stamp recipients. The final report will:

- describe characteristics of participating households;
- describe typical program operations and estimate costs;
- identify Indian food preferences and special food needs; and
- provide a preliminary comparison of the availability and acceptability of FDPIR and the Food Stamp Program to Native Americans.

We expect to complete this study and distribute the results in May 1990.

In addition, the President's 1991 Budget includes funds for modest improvements in the food package and FNS has surveyed tribes to elicit their ideas on those improvements. Our Farm Bill proposals also include a requirement to collect Social Security numbers from FDPIR applicants. This will improve accountability in the program. We stand ready to assist Tribes and we are ready to work with other agencies to make improvements in this program.

The Extension Service responsibility and commitment to deliver educational programs to Native Americans has been handled in a number of ways over the years. In the 1950's and 1960's, the Cooperative Extension Services, through the Land Grant Universities, worked closely with the Bureau of Indian Affairs (BIA) Extension personnel at the area levels. These BIA Extension employees were included in Cooperative Extension staff training programs and other activities. The BIA Extension component called upon Cooperative Extension as a resource backup in their Extension programming on the Reservations.

In the late 1960's, Cooperative Extension entered into contractual agreements with BIA offices and received funding to carry out agriculture, home economics, 4-H and youth development, and community development education programs. However, personnel continuity became a problem under these contractual arrangements, thereby limiting the success of Extension programs on Indian Reservations. Early in the 1980's, contracts were withdrawn from Cooperative Extension by BIA because tribes did not list Extension as a high priority.

The reduction of funding contracts with BIA supporting Extension agents on Reservations with specific assignments has reduced Extension's direct involvement with this clientele. As a result, a special task force in the Extension Service is investigating ways of expanding Extension services to reservations. Specific recommendations will be forthcoming in 1990.

The BIA, Extension and tribal leaders are continuing to work together through the Intertribal Agricultural Council to expand Reservation-based Extension programs. However, in recent years it has been difficult to maintain a consistent level of Extension program support to the Indian reservations. There are a number of factors affecting this situation, including a general retrenchment of local Extension services nationally. Various leaders of Indian tribes have approached Extension to explore ways to improve on these services, and we are very interested in being able to respond in a positive manner.

In closing, let me emphasize USDA's willingness to listen to and work with Native Americans to ensure that their special circumstances are considered in the administration of USDA programs and to improve the capability of these programs to meet the needs of all who can benefit from them. That concludes my testimony Mr. Chairman, and I would be pleased to respond to any questions you or other Members have.

STATEMENT OF PATRICK A. HAYES, DEPUTY TO THE ASSISTANT SECRETARY - INDIAN AFFAIRS, TRUST AND ECONOMIC DEVELOPMENT, DEPARTMENT OF THE INTERIOR, BEFORE THE JOINT HEARING OF THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS, AND SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, U.S. SENATE, REGARDING INDIAN AGRICULTURE ISSUES.

February 20, 1990

Mr. Chairman, thank you for the opportunity to appear at this hearing to discuss Indian Agriculture in the Bureau of Indian Affairs (BIA) Agriculture programs and how these programs interphase with the United States Department of Agriculture (USDA) programs. We believe these hearings will provide helpful insight into concerns being expressed in the Indian agriculture community. Indian agriculture is the most undervalued economic development program in Indian country. Since 1950, it has been BIA policy to encourage the use of Indian agricultural resources by Indians. We hope these discussions will lead to closer cooperation among the Congress, the Indian Community and the Executive Branch as we address Indian Agriculture issues into the 21st century.

From the late 1940's through the early 1960's the BIA, like other segments of the Federal Government, intensified its agriculture related programs by hiring adequate professional staff, rehabilitating existing agriculture facilities, developing new farm lands and providing needed technical assistance to Indian operators engaging in farming and ranching. Most, if not all, young operators were being encouraged to pursue additional education at colleges and universities under the GI Bill or other educational opportunities. This was a period of extensive development and forward progress in agriculture throughout Indian country. Many young Indian farmers and ranchers were given a start in agriculture through the BIA revolving credit and cattle repayment programs. This emphasis on agriculture was a start in the right direction. However, as happens in many programs, a change in policy and priorities placed agriculture at a lower priority with tribal

Governments and BIA. Due to emphasis on other priorities, these young entrepreneurs engaged in the agribusiness world were left with little or no support mechanism from which to draw encouragement and assistance. This was perhaps most apparent with the loss of the agriculture extension program on many of the reservations.

Starting in the mid-1960's under the Great Society Programs, natural resource programs, particularly agriculture and ranching, took a back seat to industrial development and improved programs in the human resource arena of social services and law and order. Motels, tanneries, furniture manufacturing, industrial parks and outdoor recreational developments were expected to carry the burden of moving the Indian reservations into the 21st century. In the late 1960's and early 1970's oil, gas and coal resources were called upon to solve the economic problems facing some of the Indian communities.

Only recently have we recognized the importance that each of the above resources plays in the overall economic well-being of the reservation economy. Each effort contributes in its own way toward a stable and sound economy. It is important that all options for economic development, including agriculture, be evaluated as to its contribution in developing reservation economies.

This fact was quite evident during the economic downturn in the early 1980's when the agriculture economy soured and many of the Indian farmers and ranchers were caught in the same economic squeeze as their non-Indian neighbors. High production costs and low prices, combined with drought conditions, forced many Indian operators out of business. The resulting reduction in revenue through loss of rental income and sales tax, and the additional drain on already overtaxed social and safety programs has today forced tribal Governments to reassess their policies and priorities concerning the agriculture and ranching segment of the reservation economy.

Agribusiness continues to be one of the largest sectors in the national economy. Indian agriculture provides the largest economic impact on most Indian reservations. The BIA administers approximately 43.1 million acres of Indian-owned native rangeland and 2.4 million acres of irrigated and dry farmland on some 308 Indian reservations in 21 states including Alaska. Of these, about 35.6 million acres are tribally owned and 9.5 million acres are allotted lands owned by individual Indians. These lands vary from the hot Sonoran Desert of southwest Arizona with native vegetative production of 50 pounds per acre to the True Grass Prairie region of the Great Plains with 4000 pounds of native grass production per acre. Mechanized agriculture ranges from subsistence garden type operations of less than 10 acres producing corn, squash, chiles and melons for immediate family use to highly specialized and productive commercial vegetable, cotton, orchard and grain farms consisting of several thousand acres.

The farming and ranching sector provides the main source of entrepreneurial opportunity to the Indian people living on reservations, with some 33,572 individual families engaged in agriculture pursuits. However, there has been a slow decline in the number of Indian-operated farms and ranches in the last several years. In 1983, 38 percent of the Indian-owned farmlands were actually farmed by Indians. In 1987, that percentage had decreased to 34 percent. In 1983 Indians used 95 percent of the grazing land on reservations but in 1987 this figure had decreased to 85 percent.

In 1987 the gross value of products grown on agriculture and range lands, excluding values associated with hunting, fishing and outdoor recreation, was $466,166,683. Of this amount, 43 percent or $203,214,692 was produced by Indian farmers and ranchers on some 35,367,404 acres. Current estimates for crops grown in 1989 are double the gross value for 1987. In addition to the gross value of crops grown, individual Indian land owners and tribes receive

$50.5 million in lease rental income from the agriculture and rangeland resources.

As a result of P.L. 99-190 enacted in December 1985, Congress required that the Secretary of the Interior submit a report to Congress on: (1) the use of the emergency hay appropriation; (2) the impact of the drought on the affected Indian reservations; (3) long-term strategies to address the disaster; and (4) the effectiveness of Federal and tribal roles in resource management related to ranching, agriculture, and other land use on Indian reservations throughout the United States, with recommendations to improve that effectiveness. As a result of this report filed with Congress in September 1986, 14 regional hearings were held in an effort to solicit input from Indian tribes as well as land owners and land users on the effectiveness of BIA agriculture and irrigation throughout Indian country. These hearings resulted in the establishment by the BIA of the National Indian Agricultural Working Group composed of 12 tribal representatives and six BIA representatives. The Working Group was charged with the responsibility of addressing and providing direction on five of the nine recommended actions in the Report to Congress referenced above: (1) Mission, Objectives and Policy; (2) Lease and Permit Regulations; (3) Bureau Program Requirements; (4) Financing for Indian Agriculture Endeavors; and (5) Improvement of Federal Services. The Working Group identified 32 actions which it felt would improve Indian agriculture if implemented. These actions are found in the Final Findings and Recommendations of the National Indian Agricultural Working Group submitted to Congress in December 1987 (Green Book). These actions are wide-sweeping and encompass statutory authority, Departmental regulation, policy and BIA working policy.

After reading various committee reports submitted by the Working Group, it was obvious that many people, particularly those within the Indian community, were questioning the laws, regulations, policies, and rules under which the

BIA was operating agriculture programs in Indian country. I can assure you, we in the BIA have also been concerned about Indian agriculture and our responsibility to Indian-owned agriculture resources, and we will redouble our efforts to coordinate with the various tribal Governments to reexamine the priority of Indian agriculture within the reservation economy.

Progress has been made on many of the items identified by the Working Group. Perhaps one of the most important of these was the formation and chartering of the Intertribal Agriculture Council (IAC). This organization composed of representatives of the various Indian tribes receiving agriculture services from the BIA, works closely with the BIA and provides direct interaction with the Indian community.

BIA programs that interphase with USDA programs are the cooperative extension program, the range management and soil conservation programs, the noxious weeds and pest control programs, and the various loan and grant programs.

Generally, the role of the BIA in these programs is to provide management, development and technical assistance, and credit to tribal governments and individual allotted landowners. A few specific examples of the role of the BIA are the farmland conservation stipulations, farm and ranch development plans, the grasshopper control program, and ranch operating capital loans.

The current role of the USDA in these programs is to provide expertise in these areas where the BIA has none as well as to provide cost-sharing funds. For example, in the grasshopper control program, the BIA provides the technical assistance and the USDA reviews the Bureau's proposal and then contracts the control program utilizing USDA funds. In the case of ranch operating loans, the BIA funds the ranch's operating costs, while the USDA through the Farmers Home Administration (FmHA), provides funding for livestock purchases. In addition, monthly meetings between the BIA and the

FmHA personnel have been held for the past three years to discuss new programs and resolve issues that could not be resolved between the two agencies at the local level. To date, we feel that there has been very good cooperation between the BIA and the USDA in implementing these programs.

As we move into the 21st Century, many changes will occur on Indian reservations. Management of the renewable natural resources will gradually be taken over by tribal governments under the policy of self-determination. The BIA will increasingly provide only limited technical assistance to the tribes and become less involved in the day-to-day management of resources. As this transition takes place, tribes will probably rely increasingly upon USDA programs for technical assistance and monitoring; the reason being that USDA will maintain the current number of local, county and regional offices while the BIA will increasingly contract to tribal resource managers.

We are enthusiastic about the renewed Congressional interest in Indian Agriculture and feel this is an excellent opportunity for all interested parties to work toward evaluating and resolving many issues relating to Indian agriculture resource management.

This concludes my prepared statement. I will be happy to answer any questions the Committee may have.

Intertribal Agriculture Council

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Prepared Statement of the Intertribal Agriculture Council before the February 20, 1990 Joint Oversight Hearings on Indian Agriculture held by the Senate Select Committee on Indian Affairs and the Senate Agriculture, Nutrition and Forestry Committee

Introduction

Mr. Chairman, I am Robert L. Miller, a member of the Creek Nation of Oklahoma and President of the Intertribal Agriculture Council. My presentation includes a general overview of current barriers to Indian participation in U.S. Department of Agriculture (USDA) programs and opportunities for improvement through the 1990 Farm Bill Legislation. It will also introduce topics covered more fully by others testifying today.

First, I want to thank both Chairman and the members of both Senate committees on behalf of our 52 member tribes for your interest in Indian Agriculture and for calling this joint hearing. We in Indian country view this hearing as the truly historic beginning of the first attempt ever to integrate federal Indian policy with federal policies in other areas. This effort to resolve the differing interpretations of Indian policy and agriculture policy by the various federal bureaucracies which has thwarted Indian people and Indian governments is sorely needed and greatly appreciated. We need your help to break down the barriers which prevent Native Americans from participating in programs designed to provide services to all Americans.

It is appropriate that the first efforts at coordinating Indian policy with the policy for another segment of American Society should start in the field of Agriculture. Agriculture production is the main enterprise in Indian Country. According to reports of the Bureau of Indian Affairs, Indian agricultural production in 1984 was valued at almost two and half times the value of all oil and gas income and nine times the value of all forest products on Indian lands. In these reports, the BIA has also indicated that the agriculture sector is far and away the largest single employer of Indian people, with upwards of 34,000 Indian people engaged in commercial Agriculture and 45,000 engaged in subsistence agriculture.

Current Status

Significant and far reaching progress has been made over the past two years in breaking barriers facing Native Americans involved in Agriculture. In the last year or two, we have seen the USDA Agriculture Stabilization and Conservation Service (ASCS) include Indian landowners in their county balloting process for the first time ever. Farmers Home Administration (FmHA) officials and ASCS officials have made on-site visits to some reservations to meet with local residents and the tribal governments for the first time, and the eligibility regulations for some ASCS programs which previously excluded or discouraged Indian applicants have been adjusted to include Indian involvement in some cases.

Now, we realize that convincing a federal bureaucrat to visit a rural community and hear the local concerns is not considered a major event in the non-Indian world, nor is the correction of poorly worded regulations which inadvertently eliminate one segment of the population from national programs. But Native Americans have been excluded from national agriculture programs for so many decades that these modest achievements are viewed as truly major breakthroughs by Indian farmers and Ranchers across the country.

We are asking for the help of both committees to ensure that these hearings mark the beginning of a new era which will see these barriers to Native American participation in the USDA farm programs reduced or eliminated. A concerted effort by the tribes, the Congress and the Executive Branch, to address and resolve the barriers to Indian participation will be a major accomplishment, even by off-reservation standards.

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Barriers to Native American Participation in USDA programs

The typical Indian agricultural producer does not own and can not acquire the majority of his land base, due to federal trust restrictions, tribal government constitutions, restrictive land acquisition regulations, and the highly fractionated heirship status of a majority of allotted Indian lands. Therefore Indian-owned farm and grazing land is generally leased through the Bureau of Indian Affairs for a term not to exceed 5-years. These leasing regulations also specifically prohibit Indian preference in awarding leases and state that the lease will not offer the current lessee a preference to renew. Expiring leases are advertised for lease to the highest bidder.

These barriers to achieving stable Indian operations and reasonable tenure on the land are at least partially responsible for the poor enrollment of Indian lands into the Farm Bill programs. The tenure barriers alone are enough to leave the vast majority of Indian-owned farm lands ineligible for enrollment in the Conservation Reserve Program, and prevent the development of Crop Base Acreages for participation in the Price Support Program. The ASCS determinations of ineligibility for Agriculture Conservation Practices cost-share programs, and difficulties in acquiring long-term development capital are often blamed on the "Federal" status of Indian lands. Local ASCS committees insist that they will not cost share on Indian lands because they are, in the opinion of the local committee, federal lands.

For too long, federal Indian policies and federal agriculture policies have gone off in widely divergent directions, with the results mentioned above. For example, the Bureau of Indian Affairs (BIA) has unilaterally issued regulations on the administration of Indian lands which prevent Indian participation in USDA programs. Similarly, the USDA has unilaterally interpreted legislation and drafted regulations in a manner which prevents Indian and tribal compliance with their program requirements. Some agencies of the USDA have developed a local infrastructure which specifically omits tribal jurisdictions and reservation boundaries, ensuring that Indians will not be notified or involved in USDA programs administered at the county level.

Additional barriers to Native American participation in the various congressionally mandated farm programs include a generally poor understanding of the unique "federal trust" status of Indian-owned lands and tribal jurisdictional issues on the part of the USDA, and poorly developed and administered trust resources on the part of the BIA.

On the positive side, as the testimony of various witnesses will indicate, there are many opportunities to promote important elements of the federal government's Indian policy and agriculture policy. But these can only be achieved through the joint efforts of the two committees, and legislative action to force change in program administration. As today's testimony proceeds you will hear about the possibilities and see that many of them involve the weaving together of threads from Indian policy and agricultural policy.

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Recommendations for the 1990 Farm Bill

From the perspective of the IAC, our recommendations for the Farm Bill are generally simple, of a very broad scope, and are designed to remove some of the barriers mentioned above without meddling in the actual workings of the USDA farm programs or requesting special treatment for Native Americans. It is also our desire to not interfere with individual tribal governments who may desire to present their own views and seek their own adjustments.

We have only three major recommendations:

1. Definitions:

The first recommendation is that a definitions section be included in the 1990 Farm Bill to formally define the relationships between the USDA, local governments, Indian tribal governments, tribal enterprises, and individual Indian producers. This simple addition would go a long way toward insuring that local jurisdictions carry out congressionally mandated national policy.

We suggest that the definition of Indian tribal governments include reference to their sovereign authority, self-determination and the government-to-government policies adopted by the United States in various policies, laws and treaties. By including the definitions used elsewhere in federal codes, tribal governments will be treated in a fashion similar to "local" governments, such as counties or states. However, with this status tribal governments can not participate as direct beneficiaries of USDA farm programs and maintain their sovereign status.

Tribes which are land owners, operate farming enterprises, or otherwise wish to participate directly in USDA programs will have to separate their governmental functions from commercial ventures. This can be accomplished by establishing a separate tribal enterprise which controls the tribal agriculture assets in order to be eligible. We recommend that tribal enterprises be defined in similar terms to a corporation or joint venture, with the individual tribal members as the share holders for control and payment limitation purposes. This closely parallels current interpretations of recently passed legislation.

Similarly various branches of the USDA have had regulatory or conceptual problems dealing with the federal trust status of Indian lands. Indian land owners have been told that they were ineligible for various programs specifically because their land is "federal." We recommend including specific definitions in the Farm Bill to clarify this "trust" ownership, and deal with tribally owned, individually owned, undivided interest lands and tribal land assignments. Because the majority of Indian agriculture operations are composed primarily of leased land, this may need to be defined since it impacts the tenure requirements for various programs.

Our intent in proposing a definitions section is to break down the barriers and limitations which have prevented enrollment of Indian lands and enterprises in various federal programs due to poor or erroneous interpretations of the role of tribal governments, enterprises, and individuals by various jurisdictions within the USDA. Definitions currently existing in federal code can be inserted directly into the farm bill without modification to establish this section and ensure that federal policy and interpretation is consistent.

2. Cooperative Extension Service:
The second recommendation, re-establishment of Reservation Extension Agents to provide extension services to the reservation communities, has been a major project of the IAC for the past 2 years, and included in all our testimony before both houses of Congress during that time period.

We do not understand why the Cooperative Extension Service of the USDA has been allowed to withhold national services from the Indian community, nor do we understand the rationale that federal services which are provided without charge to all other segments of society must be paid for by Indians. We question the legality of specifically curtailing these USDA services on Indian reservations when the BIA withdrew monetary support of this USDA mainstream program.

In attempting to re-implement this agriculture program of critical importance to the Reservation community we have worked closely with USDA officials over the past two years. Last November Extension agents led by Dr. Hollis Hall and representatives of the IAC prepared a proposal to re-establish agents on the larger reservations. We have seen and support the proposal in its current format. We were told that this program proposal had been adopted as the official stance of the USDA. Until last Thursday evening we were led to believe that the USDA would present that proposal here today, and we expected to strongly support the Secretary and the administration on their proposal.

This issue has been reviewed, studied, and debated for years. The bottom line is that Indian producers are excluded from receiving any meaningful Extension support by the elected off-reservation County committees which control extension services at the local level. Extension agents provide the key liaison with the other USDA programs, coordinate important youth programs such as 4-H and FFA, and provide invaluable technology transfer to the rural communities. Currently, in order to obtain this service (available without charge to all non-Indian communities) several tribes are using their own financial resources to pay federally supported Land Grant Colleges to provide them with an Extension agent.

The remedy to this situation is to re-establish the program of Agriculture Extension Agents to serve those Indian Reservations and tribal jurisdictions with sufficient acreage or population to be roughly comparable to counties in size or complexity. We therefore formally request that the congress direct the USDA to implement its proposal to establish extension services for Indian agriculture producers. Lonnie Racehorse will also testify directly on this issue and the need for Extension in Indian country later in the hearing.

3. Self-Determination and the Government-to-Government relationship:
We understand that existing federal policy toward Indian tribes is to foster a government-to-government relationship, and assist when requested in achieving tribal Self-determination goals. We also understand that since this policy reflects law passed by the Congress it applies to all branches of the Federal government, not just the BIA.

The USDA must be informed of its responsibilities under this policy, and the existing law should be applied to the USDA programs in some very immediate and practical ways. At present USDA programs are tied to the county government for almost all programs of local importance to producers. This is to insure responsiveness to local needs and concerns. However, both legally and pragmatically, tribes are not part of the county structure and generally are prevented from meaningful participation in these processes.

County political boundaries have little or no relationship to existing reservation or tribal jurisdiction boundaries. The reservations were established long before county boundaries were drawn in most cases. Subsequently, county boundaries were drawn by non-Indian settlers which split a single reservation among several counties to preclude tribal control of county governments. The USDA county offices of the ASCS, SCS and FmHA have not fairly served the Indian landowners and producers within their counties, in part because they must be responsive to the county government, and in part because no single office can claim jurisdiction over the reservation due to county fragmentation. Tribal members seek their governmental services through the seat of tribal government, and may not understand the USDA county structures. At times they receive hostile treatment when they try to access USDA programs controlled by elected county committees.

Through legislation, the USDA programs can implement the government-to-government relationship by recognizing the larger reservations as the equivalent of counties, with their own ASCS, SCS and FmHA offices on the reservation. These offices would serve the total reservation community including Indians and non-Indians living or farming within the reservation boundaries. In this manner USDA programs would effectively reach the reservation in a way that reflects existing law and respects the government-to-government relationship.

For smaller reservations located in a single county USDA county offices should be required to establish a sub-office at the seat of tribal government that provides ASCS, SCS and FmHA services on a part time basis. There may be a need for sub-office operations on only one day a week for some programs, but the presence would greatly improve the relationship between Indian people and the USDA local employees who have adroitly avoided any interaction with the reservation community.

For smaller reservations that are gerrymanded into several counties, USDA should declare the entire reservation to be administratively the responsibility of the county offices in the county with the greatest Indian presence. That county office would then service the reservation through a sub-office at the tribal headquarters operated on an as needed basis.

Establishing individual Reservation Conservation Districts, for the larger reservations and tribal jurisdictions has the potential for the greatest impact on individual Indians and tribes of all our recommendations, since it allows the reservation residents to effectively have their own ASCS and SCS offices and their own "County Committees" responsible to the USDA. This would radically redefine USDA involvement in Indian country, and breakdown all of the existing barriers that exist at the local level. It will also give the reservation community a voice at the State, Regional and National levels which is currently lacking.

To ensure that the tribes and USDA officials are aware of this option we suggest including language in the 1990 Farm Bill which clearly defines the legality of Reservation Conservation Districts, provides the procedure for their establishment at the formal request of the tribal government or reservation residents, and defines their relationship with State and County USDA organizations. Primarily we suggest that Reservation Conservation Districts be identical in all aspects to County Conservation districts, including both SCS and ASCS staff and programs provided specifically to the area of tribal jurisdiction, and to be staffed and funded according to similar standards.

We also suggest that this section include specific language on the applicability of the Indian Self-Determination Act (PL93-638 as amended). Both the tribes and the USDA should be informed that USDA programs providing services to Indian people are subject to all the provisions of that act, including contract options, but more importantly including specific language on the consultation requirements and relationship with affected tribes by the USDA directly, not through the BIA. Too often USDA officials have assumed that a brief meeting or telephone call to a BIA counterpart will provide all the "Indian" consultation that is needed. This is not the case. Tribal members elect their representatives to tribal governments, not the BIA, and consultation with the tribes requires direct tribal participation.

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Conclusion

There are other issues, many of which are much more specific than the ones we have presented in this overview. These include:

1. Extending the Conservation Reserve Program and targeting Indian lands since incompatible BIA and USDA regulations prevented Indian land enrollment through most of the program life,

2. Maintaining and enhancing the direct loan programs and land acquisition programs of the FmHA to re-establish its proper role in the rural communities,

3. Maintain and enhancing the Crop Insurance program, and;

4. Use of USDA education programs to strengthen Indian Education programs and the Tribal Community Colleges in a manner similar to that which supports the 1890 colleges. These areas of concern will be addressed by other speakers here today.

There are additional issues and opportunities for improvement which are best identified and corrected at the local level by cooperating tribal jurisdictions. For that reason we would also like to work with these two committees in developing and proposing a series of regional demonstration pilot projects to improve access to long-term capital, land consolidation, technical assistance, and increased educational oportunities for Native Americans.

Since the IAC is a national organization we must present those recommendations which will most fully assist all our member tribes, from Florida to Alaska, in achieving full participation in USDA programs. Inclusion of specific definitions to clarify roles and responsibilities which have been misinterpreted over the past five years, re-establishment of an Agriculture Extension program to serve Reservation communities, and the formal recognition that the Indian Self-determination Act applies to the USDA as well as other federal agencies, will be a major achievement and have far reaching and immediate impacts in promoting stability in the Indian Agriculture community.

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Thank you, Mr. Chairman and members of the committees for hearing our concerns. This beginning attempt to integrate federal Indian policy with federal agriculture policy can be the landmark by which subsequent actions in multiple jurisdictions are judged. We are happy and anxious to volunteer our services in whatever capacity you deem appropriate to work on resolving these longstanding problems which impact our people.

TESTIMONY OF THE COLORADO RIVER INDIAN TRIBES
BEFORE THE
SENATE SELECT COMMITTEE ON INDIAN AFFAIRS
AND THE
SENATE AGRICULTURE COMMITTEE

1990 Farm Bill - Indian Agriculture Issues
Joint Hearing
February 20, 1990

The Colorado River Indian Tribes ("Tribe") appreciates the opportunity to present its views about Indian agriculture and to identify issues the Tribe believes should be addressed in the 1990 Farm Bill. Our Tribe is glad to be able to address both the Senate Select Committee on Indian Affairs and the Senate Agriculture Committee. The Farm Bill establishes the long-term policy direction for many of the Department of Agriculture's programs which in turn affect farms and the agriculture economy. The matters discussed in our testimony also are critical to the long-term viability of both Indian tribes and Indian agriculture. The strength and viability of Tribal agriculture impacts all facets of life on the Colorado River Indian Reservation. Problems that delay, hinder, harm or damage the agriculture activities of the Tribe have direct and severe impacts on governmental services, quality of life for tribal members, the local economy and government operations. The Tribe would like to commend the members of the Committees for recognizing the need to obtain input from tribes on Indian agriculture at the development stages of the 1990 Farm Bill and their desire to address critical problem areas facing tribes, many of whom are dependent on agriculture for their revenues, both governmental and individual.

Colorado River Indian Tribes
Joint Indian Agriculture Hearing
February 20, 1990

The Tribe is located along approximately forty-five miles of the Colorado River in western Arizona and eastern California. The Reservation is approximately forty-five miles long and twelve miles wide, containing approximately 270,000 acres. The Tribe has roughly 80,000 acres in agriculture production during the current year and water rights available to put an additional 30,000 acres into agriculture production. Of the 80,000 acres currently in agriculture production, 20,000 acres are farmed directly by the Tribe through separate Tribal farming ventures. The remaining acres are farmed under lease to Tribal members and non-member lessees. The Tribe with its testimony a description of the federal leasing program on reservations to assist the Committee staffs in understanding the implication and impacts the existing agriculture laws, as applied by the Department of Agriculture, have on tribes. The Tribe generates approximately $20 million in revenues from its agriculture operations, which make up seventy-five percent (75%) of the total Tribal revenues. In addition, Tribal agriculture generates approximately $80 million into the local economy.

Scope of Indian Agriculture

Before detailing the specific issues of concern to the Tribe, it is important to describe the scope of Indian agriculture. As the Committees, Congress, federal agencies and tribes consider issues pertaining to Indian agriculture, all parties must understand the scope and complexity of Indian agriculture. Failure to appreciate the extent of Indian agriculture and its complexity may result in counterproductive or inconsistent actions, rather than coordinated, long-term solutions to the issues confronting Indian agriculture in the twentieth and twenty-first centuries. Indian agriculture is not just individual Indians cultivating a small plot of land to provide for subsistence needs of their family. Indian agriculture is tribal farms comprising thousands of acres and generating millions of dollars to support governmental operations and services. Indian agriculture is individual Indians farming hundreds of acres, using the most modern technology, to provide income, food, education, clothes, medicines and other necessities for their nuclear and extended families. Indian agriculture is thousands of lessees of reservation lands across the country where lease payments support the local economy and generate resources for Tribal governmental operations. Indian agriculture is the lifeblood of many rural communities in this country through leasing of lands, generating jobs, spawning support industries and providing governmental services. Indian agriculture is banks and other financial institutions which provide funds in the local economy through financing of agricultural production. Indian agriculture is the buyers, brokers, and consumers which rely on the agriculture products produced on Indian reservations. Indian agriculture is the irrigation system and other infrastructure which supports agricultural operations. Any action taken to address a problem within one segment of Indian agriculture must be considered in light of the beneficial and detrimental effects which will occur in other segments of Indian agriculture.

Development of Indian agriculture will require a cooperative effort among tribes, the private sector, Congressional and federal agencies. While the issues are complex and vary in degree from tribe to tribe and region to region in this country, the Tribe believes there are issues of common concern. If properly addressed, these areas of common concern will provide individual tribes a framework for realizing the full potential of their agriculture lands. The Tribe will address several key areas of concern, conservation, farm credit, extension services, consumer issues, and federal agency responsibility in Indian agriculture.

Colorado River Indian Tribes
Joint Indian Agriculture Hearing
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Conservation Programs

Our Tribe has had a long-standing commitment to protection of its natural resources. This commitment stems from both cultural and pragmatic sources. The cultures and religions of the historic tribes from which our membership is comprised, the Mohave, Chemehuevi, Hopi and Navajo, place great value on respect for and protection of the earth. In addition, the desire of our leaders to preserve and protect the Tribe's resources for future Tribal members makes the Tribe a strong supporter of natural resource protection efforts. With this commitment to protection as a backdrop, the Tribe would like to discuss problems with the existing agriculture conservation programs and their implementation on the Colorado River Indian Reservation.

The first program of concern to the Tribe is the implementation of the "Sodbuster" program on our reservations. As you are aware, Indian tribes were instrumental in passing legislation in the last session of Congress amending the Food Security Act of 1985 to prevent innocent landowners from being penalized by actions of their lessees. Indian tribes are facing a similar problem with the Sodbuster program. Indian tribal farming ventures are subject to non-compliance actions for the actions of tenants over whom they have limited control. The Tribe agrees it should be penalized if the Tribe is out of compliance with the requirements of the conservation programs. The Tribe submits for the record an opinion request of the Colorado River Indian Tribes dated October 23, 1989, and the Department of Agriculture's response dated December 8, 1989, describing what the Tribe believes was an unintentional result when Congress considered the Sodbuster provision in the 1985 Act. The proposed 1990 Farm Bill needs to include language recognizing and requiring the Department of Agriculture to recognize the unique status of Indian tribes. The Department's attempts to fit Tribal governments into its standard classifications of agriculture entities continues to create unequal burdens on Indian agriculture. It should not, however, be penalized for the actions of others.

The Tribe will discuss the issue of the Department's treatment of Indian tribes later in our testimony. The problem of penalizing the innocent Tribal landlord also occurs in the Resource Conservation and Development Program, and potentially in the Payment Limitation Program.

The Conservation Compliance Program can create special problems for Indian tribes. In addition to the conservation plans required by the 1985 Act and developed by the Soil Conservation Service, the Bureau of Indian Affairs also has responsibilities for conservation of agriculture lands on the Reservation. While at our reservation the SCS and BIA personnel are generally in agreement on the conservation activities to be undertaken, there have been times in the past and will be in the future where the requirements imposed by each entity are in conflict. This results in non-compliance and potential default by the Tribe or its lessees because the requirements of both regulators cannot be satisfied. In addition, the staff in the position of developing specific conservation plans are subject to change on a frequent basis. Therefore, long-range management and protection of the resource is impossible. In addition, there is no coordination of these requirements for the plans and their interaction with lease requirements on the Reservation.

The Tribe urges Congress in the Farm Bill to provide for development of Tribal conservation offices which allow for the long-term management of the resource and its protection. Tribal conservation offices will ensure the conservation plans are consistent with the Tribe's long-range goals for its agricultural activities, not just meeting minimum federal requirements. They will also provide for uniform and coordinated conservation practices for all our lands, including those which are not in agriculture production. Provisions must be included for recognition of the these plans for federal compliance purposes. With over 100,000 acres in production or susceptible of cultivation, long-term management and protection of land is a major undertaking by the Tribe. The Tribe needs to be provided with the tools to develop such long-term plans. This will require short-term funding to implement a management structure which will be self-sustaining over the long-term and provide improved conservation practices.

The Food Security Act of 1985 established the Conservation Reserve Program to retire highly erodible land from crop production. For our Tribe, this program has little or no application. The program requires the planting of cover crops or trees on the land placed in the program. The natural terrain in the southwest is desert, composed of dirt, rocks and desert plants. The natural protection against erosion is "desert pavement" a surface build-up of larger stones which are less subject to wind or water erosion forming a crust on the land. Due to the lack of rainfall, the cost of planting a cover crop or trees is prohibitive and makes program implementation impractical and could create other adverse environmental impacts. If Congress is concerned about implementation of this program in the Southwest, the program requirements must be modified to take into account the actual land composition, and costs of maintenance

Farm Credit

Available sources of capital are crucial to the development of any economy. Development needs of the Indian agricultural economy on reservations are no different. What is different, however, is that Indian agriculture must operate under constraints not found elsewhere. When an entity considers extending funds for agriculture it will look at factors such as the experience and history of the producer, the condition of the land, the prospective commodities to be produced and the availability of security for its funds in the event the undertaking should not be successful. For non-Indian producers, these factors are generally met quite easily. In contrast, for Indian agriculture it often develops that one or more of these factors prevent capital from being invested or loaned to finance an Indian agriculture enterprise.

Only recently have some tribes moved from merely leasing their lands to conducting agriculture operations for their own account. Vertical integration of an agricultural economy is beneficial by increasing revenues and diversifying risks. To expand activities into actual operations, capital is needed. Because of the lack of a track record, or lack of a credit history, tribes are often unable to obtain capital. In those instances where capital is available, the cost of the capital may make the operation impractical. For example, a tribe may need to borrow $300,000 to finance the necessary equipment to operate its farm. When the tribe approaches a lender, it is informed the money can be loaned if, in addition to providing the equipment or possibly the other assets of the enterprise as collateral, the tribe places on deposit $300,000 with the institution and provides the lender the opportunity to collect from funds set aside for programs such as social services, education and police protection. In most cases the tribe either does not have the $300,000 or is unwilling to jeopardize the provision of governmental services to obtain the capital. The Committee members are probably wondering why tribes do not utilize the direct loan or loan guarantee programs through the Bureau of Indian Affairs? The direct loan program is utilized primarily for non-agricultural economic development, and is underfunded for agriculture development. Use of the loan guarantee program is limited because lenders do not necessarily consider a loan guarantee an inducement to invest in the Reservation due to the difficulty and hassle in ultimately claiming against the loan guarantee.

Many lenders in the non-Indian context, when lending for agricultural operations, look at their ability to obtain the land in the event of default as an important factor in securing their loans. Given the unique nature of the trust status of lands on reservations, many lenders are leery of providing capital for agriculture operations. While the Tribe is strongly opposed to altering the status of the land or any option which would present the possibility its lands would be lost, the Tribe just as strongly believes mechanisms need to be developed to deal with lenders' concerns. An individual lender may not deem it cost effective to develop suitable financing vehicles. The Tribe would suggest, however, just as the Federal Home Loan Mortgage Corporation has developed standard financing documents which facilitate home financing, efforts should be made to develop standards for financing of agriculture on reservations. This standardization would address the concerns of lenders and tribes, and would have the additional benefit of hopefully creating a secondary market, thereby increasing the availability of funds for Indian agriculture.

A major area of concern to the Tribe is the lurking problem involving existing financing on the reservation. Many large banks and other financing institutions make loans to large farming entities on the Reservation. This is done on many occasions without the bank ever inquiring into the application of commercial transactions law on the reservation. If one of the farming entities ever defaults, the banks will find themselves without a priority claim which it assumed existed or possibly even an uncollectible debt. Every time one of these cases arises, the public relations problems concerning dealing on reservations takes several years to overcome. Failure to address the issues of financing on reservations will forever relegate tribes to a back seat in the commercial arena, agriculture or otherwise.

Another factor for improving the availability of capital on reservations is to provide certainty in the rules under which agriculture and business operate on the reservation. By this the Tribe means the establishment of tribal commercial codes and remedies in tribal courts for both the Indian and non-Indian. Another key competent also will be educating financial institutions about financing on reservations. While the adoption of commercial codes and the provision of access to the courts is within the control of a tribe, many tribes, while desirous of providing codes and courts, do not have the funds to undertake these activities. It becomes the age-old question of which came first, the chicken or the egg: A tribe needs to improve its agriculture economy to generate revenues to pay for the cost of developing courts and codes. On the other hand, the tribe needs the codes and courts to attract capital with which to improve its agricultural economy. Additional assistance to facilitate the establishment of codes and tribal courts will provide tribes the ability to address this concern.

The Tribe urges the Congress as it considers the Farm Bill to look at creative approaches to farm credit. The Committees may want to look at state programs, such as the low cost loan program implemented by the State of Ohio as examples of ways to improve farm credit. The Tribe avails itself of farm subsidies because it is one of the only ways to operate a viable agriculture economy.

The Tribe would prefer to see Congress create an irrigation development bank which would provide loans for land development which would be secured by market rate leases. Instead of the Tribe having to enter into low income development leases, the Tribe could develop the land and lease it at market rates, thus paying off the loan and increasing the return from its lands. The present system of development leases is like an apartment owner having to rely on the tenants to install the plumbing and electrical wiring. The result is lost revenues to the Tribe and a potentially patchwork irrigation system requiring additional capital expenditures.

Water Conservation

Water is the life-blood of the Colorado River Indian Reservation. The future of the Tribe depends on its ability to protect and put to use its water resources. Our biggest water consumer is our agriculture activities. The Tribe is interested in exploring ways to conserve its water and, thus, to maximize its use. One major factor hindering water conservation is an incomplete irrigation system. Our irrigation system has only been two-thirds completed. Therefore, the efficiencies which could be achieved my operating and managing the entire system which was designed are unattainable. Other measures to assist in water conservation such as canal lining and metering system are capital intensive. As Congress considers water conservation issues in the Farm Bill, it must not repeat the mistakes of the past and develop or improve all non-Indian irrigation systems prior to consideration of Indian irrigation systems. This only allows the use of Indian water for free because the Indian system has not been developed. The Tribe reminds the Committees, as they consider water conservation incentives, of the obligations the United States agreed to when it entered into treaties and established reservations, and urges the Congress to begin to fulfill those obligations. In our case, the United States established our reservation for irrigated agriculture, and, in fact, it is the oldest federal irrigation system. Yet, the system has never been completed. Through development the Tribe has financed substantial amounts of the irrigation system for which it bargained with the United States, The United States should fulfill its promise.

Extension Services

Historically, the Extension Service was more intimately involved with on-farm operations. For years, farmers went to the Extension Agent with all of their farm operation problems. In recent times, there is increased focus on research at universities and their research fields. This research, being centrally conducted in most cases, does not necessarily benefit Indian farming operations located in remote areas. In the case of the Colorado River Indian Tribes, the field research facilities are located in central Arizona and the Reservation is located in the extreme western portion of the state. Furthermore, local extension agents spend a large segment of their time with 4-H programs and hobby farmers rather than providing assistance to the farmer relying on agriculture for his livelihood. This is not to indicate the 4-H programs are not valuable and beneficial.

The Tribe would like to see an agriculture research station established on its Reservation. The Tribe is interested in researching new economical agricultural production methods which encourage crop diversity, rotation, and cultivation to control plant diseases, insects and weeds while reducing the environmental impacts on the land. The Tribe is currently undertaking a pilot project funded jointly by the Tribe and State of Arizona which will use pheromones to treat the pink bollworm which, if successful, will reduce a crop pest and decrease the need for insecticide use on our cotton crops. The Tribe would like to undertake more of this type of research. The Tribe feels it is in a unique position to develop agriculture practices which are economical, practical and environmentally sound because it has strong concerns both as producer, regulator and protector of the resource for future generations. In the past, this combination has resulted in stricter environmental regulations imposed on our farmers, but which still allow economical agriculture operations. These regulations are then considered for implementation by state regulators. With assistance, the Tribe could develop additional new management practices. In addition, due to water constraints agriculture in the southwest will in the future be more and more concentrated on reservations. Reservation specific research needs to begin now to ensure this country has quality agriculture lands with low environmental impacts to feed this country in the future.

Consumer Programs

The Tribe currently operates two programs which could be affected by the 1990 Farm Bill. The Food Distribution Program and the Women, Infant and Children Program. The Food Distribution Programs is operated under a contract from the U.S. Department of Agriculture. The Tribe's program is the only one in the area, including all of La Paz County which covers an area approximately three times the size of the Reservation. This needed and highly utilized program provides food supplements to qualified persons who reside in the program service area.

The second program, the Women, Infant and Children Program, operated by the Tribe again is the only one in existence in La Paz County. WIC provides nutrition supplements to women, infants and children who are eligible to be served by the program, and who reside on our Reservation, in La Paz County, and on the Chemehuevi Indian Reservation.

The Food Stamp program operated by the Arizona Department of Economic Security ("DES") is another alternative food supplement resource utilized by needy and qualified persons. The Tribe coordinates its USDA Food Distribution Program with the DES Food Stamp Program to assure that eligible persons are served by one or the other program. This ensures that simultaneous duel use of the programs is not made by the persons these programs are intended to serve. The coordination of information between DES and the Tribe on the users of these programs can be most cumbersome. Since the Tribe has operated the only USDA Food Distribution and Women, Infant and Children Nutrition programs in the area, the Tribe at some point in the future may be interested in operating a Food Stamp Program on the Reservation. The Farm Bill should provide Tribes the opportunity to operate this program directly.

There are many persons who are in need of and benefit from these programs. The Congress needs to ensure that the programs receive adequate resources to ensure the basis nutritional needs of reservation residents are met. While the Tribe is working to improve the economic climate on the Reservation, reduce unemployment bring all its members above the poverty, that goal has not been achieved. Therefore, it is critical these programs continue at adequate funding levels.

Federal Agencies:

Bureau of Indian Affairs

Indian agriculture is further hindered from developing its full potential by the additional federal restrictions under which it must operate. The leasing of trust lands on Indian reservations is highly regulated by the United States through the Secretary of the Interior and the Bureau of Indian Affairs. Title 25 of the United States Code provides numerous provisions governing the leasing of lands for agricultural purposes on Indian reservations. In addition, specific leasing requirements for individual reservations have been enacted by Congress. Title 25 of the Code of Federal Regulations provides for the regulation of all aspects of leasing of Indian lands from solicitation of bids through lease cancellation. The BIA regulations were designed to protect the interests of the Tribe in fulfillment of the federal government's trust responsibility. In practice, however, the regulations can hinder the development of Indian agriculture.

In particular, the Tribe points out areas wherein it has experienced significant problems. The Tribe in the past few years has had several lessees who, in addition to failing to pay their rent, were damaging the land through poor agricultural practices. The Tribe urged the BIA to cancel the leases of the respective lessees, which the BIA undertook. Significantly, under the BIA's procedures, the decision to cancel never becomes final until all possible administrative appeals are completed. The Tribe agrees that reasonable due process must be accorded to parties dealing on the Reservation, but as a result of the particular due process accorded by the BIA, the lessees remained in possession of the leased premises for well over a year continuing their poor agricultural practices. The lessees were able to proceed through each phase of the appeal procedures without ever presenting any evidence to contradict the valid reasons for cancelling the lease. The lessees were continually given extensions of time after having missed previous deadlines. Individual tribal members had to seek assistance from the Tribe because rental had not been paid. The Tribe also had to proceed in Tribal Court to appoint a receiver to protect further damage to the property and protect its rights under the lease being cancelled.

The Tribe places great importance on protecting the rights of those who engage in agriculture on the Reservation, but those rights should be placed in context with protecting the Tribe's resources. The Tribe suggests the lessee's rights can be protected without necessarily leaving a violator in possession and without having up to four or five separate internal appeals prior to final action on a lease violation. The Tribe should be provided the ability to cancel its own leases for violations of lease terms, provided the Tribe affords the lessees appropriate due process under the Indian Civil Rights Act. The fair treatment of lessees by the Tribe will further increase the willingness of private industry to invest capital on the Reservation.

There are also issues that need to be addressed with respect to the land leasing program which is overseen by the BIA. The Tribe believes procedures should be implemented to further ensure that lessees are fully capable of honoring their lease obligations.

Moreover, the Tribe believes that a significant issue exists as to the appropriate lease term. For example, a ten-year limit while facially prudent, may actually harm the land in the long run. The lessee may not have the incentive because of the short lease term to provide for proper maintenance of the land. Thus the Tribe believes it should have the flexibility in its leasing program to ensure that the lease term can be adjusted in the interest of best agriculture management practices.

Department of Agriculture

The Tribe has gradually developed its knowledge and become more sophisticated in its agriculture activities. In its operations the Tribe has, like any other farmer in the United States, attempted to participate in and comply with the agriculture laws and Department of Agriculture ("USDA") regulations. For years, the Tribe has been encouraged to benefit from the federal agriculture programs. The Tribe has continually found that most programs are not administered in a manner which acknowledges the unique status of tribes, and in several instances tribes are required to assume undue risks should they decide to participate in the programs.

Because the federal laws and regulations were in most cases not promulgated with Indian tribes and reservation lands in mind, USDA must try to fit a square peg into a round hole. A tribe is dissimilar from all of the general types of entities covered by the agriculture laws. It is not a joint venture, partnership, corporation, association or individual. A tribe is a sovereign government which may have attributes similar to the various types of entities mentioned, but does not fit the description of any of the entities. This results in some unique hardships for Indian agriculture which can put it at a disadvantage to non-Indian agriculture.

In the last session of Congress, the Tribe was instrumental in the passage of Public Law No. 101-217 to clarify the Food Security Act of 1985. This legislation made it clear that Congress, in enacting the last Farm Bill, did not intend to penalize innocent landowners for the actions of its lessees. This legislation was originally introduced and went forward to correct the severe and unreasonable effects of the Department of Agriculture interpretation of the 1985 Farm Bill provisions on Indian Tribes. Because an Indian tribal government and its relationship to its members is not the same as other types of entities recognized by the Department of Agriculture, the Department's attempt to force tribes and their members into these categories creates unduly harsh results for tribes. Only in the last days of this effort was it decided to correct this unjust result for all farmers. The Department's position in the past has been that it cannot remedy these results without specific action from Congress.

Department programmatic regulations, such as Sodbuster and the Resource Conservation and Development regulations, provide that if a Tribe's lessees are out of compliance, then not only is the lessee penalized but so is the tribe. The type of abuse which the regulations seek to curtail results from the close nexus and control anticipated between lessee and lessor. In the Tribal context, this not only does not exist, but in practical terms it cannot exist. There are several reasons why.

First, as already discussed, the BIA administers comprehensive Indian lands leasing regulations. Most lease compliance for Indian leases is performed by the BIA. The recent investigations by this Committee have illustrated that the BIA is having a difficult, if not impossible, time trying to monitor the existing leasing program, without any additional burdens being placed on an already overtaxed system. The numbers and expertise of compliance officers is severely limited. Even if a tribe, within the BIA regulatory framework, required detailed material from its lessees, and tried to monitor to ensure compliance, there is another problem. The tribes and their lessees in most cases are competitors.

Most telling, however, is that unlike the situation of the non-Indian lessor monitoring a given lessee, each tribe may lease out tens of thousands of acres of land to hundreds of separate lessees. The ability to constantly monitor the internal activities of these lessees would be an administrative and fiscal nightmare.

In addition, Tribal members, which the Department continues to insist are on and the same with the Tribe, may own land separately or lease on the same basis as non-Indian lessees. The Indian Civil Rights Act of 1968 places limitations on the Tribe's ability to interfere with these property interests. The Department insists, however, that the Tribe is subject to non-compliance insists, however, that the Tribe is subject to non-compliance activities for the actions of these lessees and tribal members.

Finally, tribes cannot afford to wait until USDA determines there is a violation to take action. USDA may discover a violation two years after the violation has occurred, combine the lessee with the tribe and require reimbursement of the funds paid to a tribe. This is at a point in time when the funds have been expended by the Tribe for governmental services. Very few, if any, tribes have the resources to set-aside funds for such a contingent liability. Even if a tribe were able to discover a violation by a lessee of the payment limitation regulation during the current growing season, enforcement to ensure compliance cannot be accomplished in a timely fashion. The alternatives for a tribe to ensure compliance are court action, which is inordinately expensive and time-consuming, or lease cancellation, which has its own problems as discussed previously. For many tribes, non-compliance by a lessee could mean the loss of several million dollars. In addition, this example highlights the failure of federal agencies, which have a responsibility to fulfill the trust responsibility to tribes, to promulgate rules for Indian agriculture which do not cancel out the rules promulgated by their sister agencies.

Thus, even if it were feasible for a tribe to require detailed information from its lessees to try to ensure compliance with USDA regulations, the monitoring and enforcement process would be a nightmare for tribes and possibly even a violation of federal antitrust laws.

The Tribe strongly urges Congress as it drafts the 1990 Farm Bill to provide direction to the Department of Agriculture concerning the nature of Indian tribal farming ventures. The language in the legislation must be clear and specific because it has been this Tribe's experience that the Department will interpret knowledgeable in this area and available to work closely with your staffs in developing such language.

Conclusion

Indian Agriculture is complex and the solutions to its problems will require thorough investigation, creativity and foresight. This should not deter the Committee or Congress from proceeding expeditiously to address the concerns of tribes. Indian agriculture is the lifeblood of many reservation communities. The 1990 Farm Bill will provide direction for agriculture programs for the next several years. The Tribe urges Congress to address the concerns of Indian tribes in the draft legislation. This will allow Indian tribes to finally participate and benefit from the federal government's agriculture programs.

The Tribe is available to assist the Committee and its staff in addressing these important issues of concern to Indian agriculture. The Tribe appreciates the Committee for this opportunity to present its views.

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TESTIMONY OF THE INTERTRIBAL AGRICULTURE COUNCIL
BEFORE THE
SENATE SELECT COMMITTEE ON INDIAN AFFAIRS
AND THE
SENATE AGRICULTURE COMMITTEE

1990 FARM BILL INDIAN AGRICULTURAL ISSUES
JOINT HEARING

February 20, 1990

Mr. Chairman and members of the Senate Select. My name is Chavez John, a member of the Intertribal Agriculture Council and a member of the Navajo Tribe. On behalf of the IAC, we appreciate the opportunity to present some issues and concerns that tribes are facing in Indian Agriculture. Indian Agriculture has always been the mainstay of Indian livelihood, is it not a fact that the Native American taught the early settlers how to farm and cultivate corn, squash, and other vegetables. Agriculture can be define in many terms and in various facets among the different Indians throughout the Nation. It is fortunate to get two of the major role players in agricultural fields to comprehend the issues and concerns that limits or prevents the full benefit of agricultural programs available through the various agencies. Often governmental regulations hinders, delays, damages or impacts the agricultural economy of Indian Nations. As we all testify, you will again realize the importance of agriculture as part of the Indian tradition, livelihood, economy, and religion.

The Intertribal Agricultural Council was form in 1987 to provide an agricultural forum, promote changes in federal regulations and policies, develop full potential benefits, preserve and protect natural resources, expand agricultural markets, and recommend changes in federal agricultural programs for the benefit of Native American Indian tribes and Alaskan Native tribes.

The IAC represents about 52 member tribes and approximately 43 million acres of agricultural lands throughout the entire United States including Alaska. The IAC has taken the responsibility to address agriculture issues and concerns on behalf of member tribes ranging from local concerns to regional and even to congressional level.

DROUGHT PROGRAMS

The dramatic affects of drought in the Southwest for the last two seasons have put a significant impact on the economy and livelihood of Indian farmers and ranchers in the southwest. The drought has prevented the Indian farmers who depends on precipitation to harvest his crops in a very frustrating situation. With no other means of subsistance to supplement the Indian farmers income it is very unfortunate that the federal government does not provide for some sort of relief that would assist these farmers. Since they are not large farms, they are usually considered as gardens rather than commercial farms, therefore does not qualify for federal assistance.

The ranchers have also found themselves in similar situations. Although there is the Emergency Feed Program (EFP) available under the United States Department of Agriculture (USDA) administered through the Country

Agricultural Stabilization Conservation Service Program (ASCS). Most ranchers realized that they can not participate in the program because they did not keep adequate records of their livestocks, expense records, and other documents required to process the cost reimbursement. Often times the ranchers found that the forms were too complicated to fill out. Although there has been a revision in the regulation to include individual Indian members as eligible recipients the form needs to be simplified to where all participants will be able to understand and complete the form.

Another drought relief program is the Indian Accute Distress Donated Feed Program (IADDFP) administered by the Bureau of Indian Affairs. The regulation for this program is too repetitive and should be revised to include all Indian livestock owners and to have the program available immediately after an application is approved. We have submitted their application to the Area Office in July 1989, to present there has been no definite approval on the status of the application. After seven months since the submittal of the original request for grain.

CONSERVATION PROGRAM

All tribes have some sort of ritual/spiritual attachment to their land and its natural resources. There are long standing commitments by Indian tribes to conservation, protect and reserve the natural resources that still exists on Indian Lands. This commitment links together the cultural, tradition and religion of each tribe as they show respect for the environment. There are several types of conservation programs available through the various federal agencies i.e. USDA, BOR and BIA. Manv times the programs are not made readily available to Indian tribes due to various implicating federal guideline policies or regulations that would prevent the projects to be implemented on the reservation. Such projects are: erosion control, earth dams, water harvesting, noxion weed brush control.

In these cases, regulations need to be changed and funding increased to make these programs available for the benefit of Indian tribes so the program and projects are more viable and productive.

Other concerns include the lack of government to government relationship. Usually Indian producers are forced to deal with State and County committees that are often openly hostile, bias, and partial when committing projects. This is usually a result that Native Americans are not tax paying producers when they are competing for program funds.

Another factor affecting the lack of conservation is the BIA imposed open range concept coupled with the permit system of grazing that discourage range conservation and does not allow for management of reservation range resources. Until such a system is changed, we will continue to lack conservation practices. In order to implement a controllable range management more funds are needed for fencing and development of management units that will encourage soil, water and range conservation practice.

Our recommendation is to establish a state tribal conservation office which will allow for long term management and conservation of Indian natural resources. This office will ensure that conservation plans are consistent with the tribes goals and agricultual activities. They will also solicit Indian input into state and federal regulations governing conservation programs and projects.

Another recommendation is to extend the Conservation Reserve Programs and target Indian lands, because Indian tribes have been prevented from participating in USDA programs due to incompatible BIA and USDA regulations. We would like to see Conservation Districts on Indian lands to specifically provide services to reservation population.

EDUCATION IN AGRICULTURE AND NATURAL RESOURCES

Lack of education and awareness in many areas of agriculture and natural resources has been long overdue. Too many times various improvements and projects have been introduce to Indian producers without very much success. This is a result of trying to advance to much technology at one time without the individual getting the training needed to succeed with the program.

Pilot projects need to be established at community colleges, technical program in agricultural and natural resources management fields through the use of USDA education program to strengthen Indian education programs and the tribal community colleges in a manner similar to that which supports the 1890 colleges.

Working with these colleges and in cooperation with other Land Grant Universities there will be practial training and assistance in creating or monitoring a successful agricultural enterprise, assessing sources of commercial credit, developing markets and other subjects of interest to the rural community.

Develop more seminars and training programs in conservation and range management through the already existing programs.

And lastly, under the BIA Agricultural-Range Program, set aside percentage of the Bureau Scholarship fund for Indian students to complete degrees in the renewable natural resources services.

Intertribal Agriculture Council

Lonnie Racehorse, Secretary, Box 405, Fort Hall, Idaho 83203 (208) 238-3870

PREPARED STATEMENT OF THE INTERTRIBAL AGRICULTURAL COUNCIL BEFORE THE JOINT HEARING OF THE SENATE SELECT INDIAN AFFAIRS AND THE SENATE AGRICULTURAL COMMITTEES ON FEBRUARY 20, 1990

I INTRODUCTION

Mr. Chairman, I am Lonnie Racehorse, of the Shoshone-Bannock Tribe of Idaho. I am the Northwest Representative of the Intertribal Agricultural Council, and want to express the gratitude of our 52 member tribes for your interest and concern as represented by your inviting us to this Hearing today. The testimony I am giving is intended to provide a brief overview of the unique features of Indian agricultural extension services, and to ask your committees to re'activate these programs through the Bureau of Indian Affairs or the U.S.D.A.

The organization I represent is the Intertribal Agriculture Council (IAC), a private, non-profit corporation, comprised of dues paying member tribes with an interest in the management and development of their land and agronomic resources. It was founded by charter in November of 1987 to provide a unified effort at promoting change and improvements in Indian agriculture for the benefit of Indian people and communities. Voting membership in the IAC is limited to federally recognized tribes and Native Alaskan Associations. The IAC currently represents 52 dues paying member tribes which together control 43 million of the 53.7 million acres of Indian lands in the contiguous United States, and approximately half of the 44 million acres in Alaska. Tribal members pay dues of $200.00 per year.

The IAC is governed by a Board of Directors composed of tribal representatives elected from each of the twelve Indian regions recognized by the Bureau of Indian Affairs. Officers are elected by the Board from its membership, and all members serve on a voluntary basis.

Native Americans have strong traditional and economic ties to agriculture. For centuries they cultivated and perfected crops which have now become mainstays of world diet. Several different varieties of potatoes, tomatoes, corn, popcorn, summer and winter squash, bananas, pineapples, avocados, plums, various cherries, walnuts, chestnuts, pecans, and filberts, are just a few examples of their contributions.

Agriculture remains a vital part of Indian communities today. There has been significant attention drawn to Indian land management and Agriculture in the past few years, with the passage of PL 99-190. Congress provided $6 million for the purchase of hay for drought impacted reservations in Montana and the Dakotas, and required that the BIA report on Indian Agriculture programs.

The Report to Congress on BIA Agriculture - Range Programs, prepared by the BIA, contains 9 recommendations to begin improving conditions for Indian agriculture. In it the BIA states that 33,572 Indian families and organizations earn their livings through farming or ranching, and an additional 45,000 grow agricultural products as part of a subsistence lifestyle. Of the more than 53 million acres of land held in trust for Indian people, over 46 million acres are used for agriculture. But despite the agriculture industry's potential strength on Indian reservations nationwide, less than 35% of Indian-owned farmlands are being used by Indians. Indian use of grazing land for livestock is estimated at 83% nationwide, according to the Bureau's report. These figures reflect a continuing decline, which in recent years has been a source of concern to both the Indian community, the Bureau of Indian Affairs, and the U.S.D.A.

To address these concerns, the National Indian Agriculture Working Group, consisting of 12 tribal and 6 BIA members from across the country, was appointed by the Assistant Secretary for Indian Affairs in June, 1987. The Working Group presented a detailed report of their Findings and Recommendations to the Assistant Secretary in November of 1987. They reported that:

> *"A serious and potentially devastating decline is currently affecting all sections of the Indian Agriculture Community. Indian use of Indian lands has dropped off rapidly in recent years, and Ideal Indian lands have increased at a rate as high as 40% in one year. hundreds of thousands of acres of Indian lands are in danger of foreclosure through the default of Indian farmers and ranchers. The expected result is a continually widening gap between the*

> *standards of living of the Native American and Alaskan Native people, and the general population of this country."*

Despite strong language on the nature of the fiduciary responsibilities of the United States Government to the Indian people, the United States is expending significantly greater money, manpower, and expertise managing its own land based agricultural resources than it is managing Indian trust lands. this is particularly true within the Department of the Interior. We have been told that the staffing formula used in the Bureau of Land Management is one Range Management professional for every 250,000 acres of rangeland. We have also been told that the BIA does not use staffing formulas based on acreage, but estimates that they have similar professionals for every 800,000 acres of Indian trust rangelands. This is less than one third the staffing expertise utilized by other Department of the Interior agencies.

In its 1986 Report to Congress on Agriculture, the BIA states:

> *"Although agriculture is the primary contributor to reservation economies and employment, funding for all agriculture programs has averaged only 2.25% of the total Bureau budget for the past ten years."*

The FY 1990 BIA Budget shows that only 2.02% of the total appropriated monies be spent in this program area.

In fact, after all this increased emphasis on Indian agriculture and resource development, the BIA leadership's budget for FY 1990 actually contained an overall $4,271.000 decrease in the agriculture program budget, a reduction of 210.5% from the 1989 program level, with no reductions in either the Area or Central Office operating budgets.

Additionally, a figure of $17,000 (3.5%) has been cut from agriculture budgets at the Agency/Tribe level, in Agriculture Extension.

It is for these budget cuts that the IAC has prepared this testimony on Indian Agricultural Extension.

II. RESTORATION OF AGRICULTURE EXTENSION AGENTS TO THE RESERVATIONS.

In the previously cited Report to Congress the Assistant Secretary for Indian Affairs recommended that the BIA:

> *"Include an Agriculture Extension Service activity in the Bureau's agriculture program budget.... This program must include the re-establishment of Extension Agents at the reservation level to provide Agriculture Extension assistance and re-implement the FFA and 4-H Programs for Indian youth."*

A similar recommendation was made by the National Indian Agriculture Working Group in their December 1987 report prepared for the Assistant Secretary. Testimony at the 14 public hearings conducted by the BIA on Indian Agriculture was cited by the Working Group as the justification for this request.

We in the IAC strongly concur with these recommendations, even though the BIA has not yet acted on them. Agriculture Extension Agents provide the link between advances in agricultural practices developed by the land grant colleges, and the application of these recent developments by the nation's farmers and ranchers. With the absence of the same information flow to the reservations Indians are falling further and further behind in agriculture technologies.

Perhaps even more importantly, Agricultural Extension Agents provide the leadership role in the youth orientated programs 4-H, FFA and FHA which are vital to the development of youth in rural America. These programs have become almost absent from the reservations in the last decade. Agricultural Extension in the past spearheaded wholesome and relevant youth activities in 4-H and FFA which were compatible with Native American and Alaskan Native culture, and met the needs of Indian children growing up in rural, agricultural environment. That environment has not changed, and those needs are currently going unmet as indicated by several of the problems on reservations today.

A third function of the Extension Agent is to provide technical expertise directly to the tribal governing body. Tribal governments will have an increasing need for technical advise and assistance of this type with the implementation of the amendments to the Self-determination Act and the increasing Tribal role in Resource Management.

Reservation residents may not have access to existing County Extension Agents for various reasons. The most pertinent one was explained to the IAC Board by a ranking USDA administrator in the Cooperative extension Service. Funding for the Cooperative Extension Service comes from 4 levels:

Federal Government -	32%
State Funds -	47%
County Funds -	18%
Private Sources -	03%

Reservations are not under county and state jurisdiction in most instances, and therefore are not contributing to the county or state tax rolls, although Federal impact funds are provided. The county commissioners and committees actually control the County Extension Agents and may feel justified in excluding reservations from the service area. For these reasons, the Indian Tribes who desire Extension Services have traditionally had to contract directly with the Land Grant Colleges to acquire this service, as explained in the BIA Budget justification.

To correct these deficiencies it will be necessary to pay that portion of the costs of an Extension Agent normally paid from state and local Taxes. We therefore request that a total of 6.02 million be added to the 1991 base in Agriculture Extension. The purpose is to establish one Agricultural Extension Agency on each Reservation, Indian Community, Native Association, or Consolidated Agency with at least 120,000 acres, and 2 agents on those reservations with over 1,000,000 acres. A total of 86 agents will be required to implement this program at an average cost of $70,000 each, including support costs. The total expense will be $6.02 million. The area breakdown is as follows:

AREA	AGENTS NEEDED	(in thousands) TOTAL COST
Aberdeen Area	12	840.0
Albuquerque Area	12	840.0
Anadarko Area	1	70.0
Billings Area	8	560.0
Eastern Area	2	140.0

Juneau Area	4	280.0
Minneapolis Area	4	280.0
Muskogee Area	2	140.0
Navajo Area	9	630.0
Phoenix Area	20	1,400.0
Portland	10	700.0
Sacramento Area	2	140.0
Subtotals	86	6,020.0

We further request that Congress stipulate the following language in order to avoid problems with funds being misused:

> *The sum of 6,020,000 is appropriated for the sole purpose of providing one Agricultural Extension Agent in residence for each reservation, Indian Community, Native Association, or Consolidated Agency with an acreage total of at least 120,000 acres, and 2 agents for those reservations with over 1,000,000 acres. We further stipulate that these monies cannot be used directly by the BIA or reprogrammed, but must be contracted to the tribes under Pl 100-472, Cooperative Extension Service or the individual Land Grant Colleges specifically to provide Extension Agents in Residence on the Reservations.*

On November 2, 1989 a Hearing of the Senate Select Committee on Indian Affairs emphasized the need for Reservation Extension Service Program in the areas of Agriculture. The U.S.D.A. Extension Administrator appointed a committee to develop recommendations for such a program. this committee met on November 15, 1989 in Alburquerque, New Mexico and developed the attached report. We have worked with U.S.D.A., and the Bureau of Indian Affairs and feel this U.S.D.A. Report supports all our efforts the past two years.

III CONCLUSION

Thank you, Mr. Chairman for inviting us to participate in these hearings today. We are ready and anxious to assist you in anyway possible in addressing the Indian extension services mentioned here today, and to reactivate these programs for the Native Americans.

January 9, 1990

INDIAN RESERVATION EXTENSION PROGRAMS

Situation

In the mid 1950's the Bureau of Indian Affairs began contracting with several State Cooperative Extension Services for educational programs on Indian reservations. The contracts were negotiated between the respective State Cooperative Extension Services and the area BIA offices. Prior to this time BIA conducted extension educational programs for Indian farmers.

During the first two decades of State Cooperative Extension Service directed programs funding was generally sufficient to conduct Extension programs not only in agriculture but also in family living and 4-H. It was during the 1970's that funding ceased to expand with inflation and programs were curtailed. During the latter 1970's and the 1980's funding decreased and in many States was discontinued.

Several things took place during the mid 1970's that jeopardized funding for Extension programs on the reservations. In several area offices where Extension had been funded through the BIA Natural Resources program, funding was shifted to the Education or Social Services program areas. Through Indian Self Determination, individual tribes determined funding priorities. Such programs as health, education, nutrition, and highways were competing with Extension. Also during this era many tribes were establishing community colleges on the reservations providing further competition for Extension funding. By the mid 1980's programs funded by BIA and administered through State CES's had essentially been discontinued.

During the past decade BIA funding for Extension has become uncertain and sporadic. This pattern of funding has also placed the individual Extension agent in a tenuous position. Attempts at attracting dedicated, motivated and highly competent agents was greatly hampered. Yet these characteristics are essential in reservation agents for a successful program with positive impacts. The opportunity now exists to start anew in expanding and developing Extension education programs on Indian Reservations. Thirty-five years of experience should provide insight for more sound funding procedures and more effective programming.

The 1986 The Bureau of Indian Affairs (BIA) Agriculture and Range Programs Report to Congress included two recommendations that impacted Extension. The report recommended the formation of an Intertribal Agriculture/Range Council. Such a council, the Intertribal Agriculture Council, was subsequently formed and it has become very active. The report also recommended the funding through BIA for an Agriculture Extension Service to be operated through USDA and the land grant universities via cooperative agreements. A request for funding was made by the Intertribal Agriculture Council in 1988.

A November 2, 1989 hearing of the Senate Select Committee on Indian Affairs emphasized the need for reservation Extension Service education programs in the areas of agriculture and 4-H youth beyond that currently being provided through county Extension offices. The Extension Administrator appointed a committee to develop recommendations for such a program. This committee met on November 15, 1989 in Albuquerque, New Mexico and developed the following report. The members of the committee are: Hollis Hall, USDA, Chairman; Woodie Winans, Arizona; Norman Wolf, New Mexico; Lloyd Hansen, South Dakota; Howard Jones, Arizona; Keith Soiseth, North Dakota; and Stuart Jamieson, USDA.

Goals

The goals to be met in developing a National Indian Reservation Extension Program are as follows:

- To secure an adequate continuous funding base,
- To establish an effective Extension program to serve each Reservation having the potential for a significant agricultural industry,
- To employ technically competent Reservation Extension staff with an appreciation and understanding of Native American culture and heritage, and
- To develop educational programs unique to the problems facing Native American farm and ranch families on each Reservation.

Recommendations

The recommendations of the Committee are predicated on several assumptions. These assumptions are as follows:

- A ten million dollar appropriation
- A base program on Reservations, Indian Communities, Native Associations and Consolidated Agencies of 120,000 acres or more
- The program emphases would be in agriculture and youth with consideration given to other areas based on tribal needs

Funding

- Funding for reservation Extension education programs should be appropriated to Extension Service/USDA under section 3(d) of the Smith Lever Act; earmarked funding to BIA for transfer to the Extension Service/USDA; or through PL 93-638, Indian Self Determination Act, explicitly for Extension Services through respective Land-Grant Colleges.
- These funds would be used only for Extension activities on Reservations and would not be subject to University overhead nor require State matching.
- Six to eight million dollars annually would be dedicated to the base agriculture and 4-H youth program on each Reservation, while funding above this amount would be available for grants to States and Tribes for additional Extension Services in agriculture, youth, family living or specific Tribal identified initiatives.
- The base program funds would be distributed to states by formula based on Reservation land area and the number of Indian farmers and ranchers.
- Each Reservation Extension Office would be supported with appropriated Extension funds except for office space, basic office equipment and local telephone service supplied by the respective Tribes.

- Funding could be augmented with grants from tribes, PL 93-638, States or foundations.

Programs

- The base Reservation Extension program would be Agriculture and 4-H youth.
- Priority would be placed on working with individual Indian farmers and ranchers and their families.
- Reservation Extension programs would be provided the same technical support as county programs from the land-grant university.
- In addition, to conducting traditional agricultural and 4-H youth Extension programs, the Reservation agent would serve as a liaison and referral between Indian farmers and ranchers and other USDA agencies.
- Agricultural Extension programming would be concentrated in the areas of farm and ranch plans, production, management, marketing, financing and field demonstrations.
- The Reservation agents with the assistance of and direction from tribal advisory groups, would develop 4-H youth programs that address the needs of youth in local reservation areas.
- Youth programs should acknowledge the importance of family life on the Reservations.

Personnel

- Reservation Extension personnel would be supervised by the State Cooperative Extension Service through county or area Extension offices where appropriate.
- Each State upon consultation with Tribal representatives would determine the office locations and staffing patterns insuring a base agriculture and 4-H youth program on each reservation.
- Familiarity with the local culture and heritage and personal commitment to working with Native Americans should be as importance as educational attainment when selecting personnel.
- Salary levels of personnel should reflect personnel market environments.
- In some situations housing allowances or a housing agreement with the tribe should be considered for Reservations agent positions.
- This program should have a goal of no less than 50% of the Extension professional employees being comprised of Native Americans by the year 2000.
- This program should utilize internships and cooperative education programs in colleges, universities and Tribal community colleges where ever possible.

Advisory Councils

- At least one lay advisory council per Reservations would be required.
- The advisory council should represent the economic and geographical areas of the Reservation.
- The advisory council would identify Extension educational needs, provide referral for local community concerns, set program priorities, review and approve Extension plans of work, identify and assist in acquiring resources, and assist in the evaluation and selection of personnel.

Conclusion

The Committee feels there are great opportunities for making positive impact on the lives of Native American farm and ranch families. This program, which will supplement the currently existing County Extension programs, could address problems unique to Tribal members. The interest in a Reservation Extension program has been generated by Native American agriculture producers, who recognize the need and the potential benefits to reservation residents. The expectations, while great, appear to be attainable; however a commitment of support for the Reservation Extension Program by USDA and the respective land grant universities will be essential.

It is important that an Extension agent be located on the reservation and that their full time is devoted to the Native Americans. To attempt to serve Reservation residents from an adjoining county is not practical nor in many cases even possible. In most cases travel to a neighboring county is very costly to the people who have limited resources but yet the greatest need. Also Indian people are reluctant to impose on an agent whom they do not view as "theirs."

The committee recognizes that this program will be judged by the success of individual Extension workers on the reservations. Great care will need to be exercised in the hiring and training of dedicated concientous personnel. The committee also appreciates that monetary incentives may be required in order to secure employees with qualities necessary to insure a successful program.

TESTIMONY FOR THE UNITED STATES SENATE
JOINT HEARING
SELECT COMMITTEE ON INDIAN AFFAIRS
and
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY
by

Mr. Norman Wolf, Extension Agriculture Agent
San Juan County, New Mexico
New Mexico State University
Cooperative Extension Service

Mr. Chairman and members of this joint committee. I am Norman Wolf, Extension Agriculture Agent in San Juan County, New Mexico. Thank you for this opportunity to appear before you to relate my experiences as an Extension Agent serving Navajo Indians. I also wish to address the importance of having Extension Agents with the special responsibility of working with Native Americans.

EXTENSION EXPERIENCE WORKING WITH NAVAJO INDIANS

From 1970 - 72, I worked at Tohatchi, New Mexico, 25 miles north of Gallup on the Navajo Reservation. From 1974 until contracts ran out in 1984, I worked out of the Shiprock Extension office on BIA Contract. In the period 1974 - 1984, our staff consisted of an agriculture agent, a home economist, and a secretary. The last two years we hired a 4-H agent. There was also a livestock agent and a secretary and from time to time a home economist who worked out of Farmington, New Mexico. An extension agent stationed in Crownpoint completed the complement of extension personnel working with the New Mexico Navajos. Arizona and Utah also had extension agents working on the Navajo Reservation in this respective state.

We were organized as a separate administrative unit, similar to a county, with an agent designated as Director of Navajo Programs. We occasionally had cooperative programs with the counties, especially in the 4-H program area, but essentially operated independent of county offices.

We had a relatively stable staff for many years and provided quality educational programs for Navajos. Our staff was composed of both Anglo and Navajo professionals and support staff. From time to time we hired students, both high school and college, to give them experience and extend our outreach capabilities. In January, 1985, after BIA contract funds expired, San Juan County provided funds for a fifth agent to work out of the county office to provide programs for Navajos. In May, 1986, when the County Agent retired, this fifth position was not refunded.

THEN AND NOW

In San Juan County when we had the Indian contract programs, we had a full time staff of eight professionals and four secretaries working out of three office locations to serve the total county population and we were all busy. We now have four professionals and two secretaries working out of one County Extension office to serve the same land area and population. Travel money and the rest of our O. & M. budget is the same as when the county office was only serving the off-reservation areas of the county.

In essence, we have only half the professional staff and less than half of the budget and are still trying to reach the total population and land area of the county!! Although as a staff we do our best, we are not very effective at reaching the Navajo population of the county.

WHY AGENTS FIND IT DIFFICULT

I was surprised at my own experience in changing jobs and locations within the same county. I call it, "The View toward the Hogback". The Hogback is a rocky outcropping that separates the Reservation area from the off-reservation area of the county. When I worked in Shiprock, my thinking about extension programs did not go beyond the Hogback because there was a regular county office to take care of those responsibilities.

Now that I work in the county office, there is so much pressure for my time by off-reservation programs and clientele, that I really have to push myself to "think beyond the Hogback" and design or even promote programs for Navajos.

Agents working in the traditional County Extension Programs are often not attuned to working with an Indian audience. An agent has to be there to sell his/her program. You have to be visible and available. Indian clients will not come to a county office that is 100 miles away (actually) and intrude on an agent that seems to be very busy already.

Ninety-nine percent of the work that we do with Navajos in San Juan County is because of their previous contact with extension programs when the offices were on the reservation. Previous contact with the agent has been very important in continuing service. They already know me. A new agent lacking these previous contacts would find it very difficult to establish programs to serve the Indian clientele.

There is a large need for agricultural education programs and a high demand for 4-H programs. We have an excellent core of 4-H volunteers, but have difficulty serving them from the county office. Just the economics of a volunteer 4-H leader coming 50 miles one-way to bring in record books or pick up literature is an unfair financial burden on that leader.

Extension does have something to offer the Navajo people, but we have to be more than available to come in on a one shot program or project. There needs to be continuity.

PROGRAMS

From my experience, there is a definite need to provide special programs and specially designed educational materials for Navajo audiences. These should include slide presentations and video tapes that show Navajos doing the practices. Newsletters, special 4-H projects, and Home Economics education should be designed for Navajo families, all of this takes additional time and money. Agents in the established County Extension offices do not have the time to develop these materials.

Programs need to be personalized and tailored. Agents have to have time to sell them and then present them. One on one service is critical to acceptance. Demonstrations are the tried and true educational vehicle to reach this audience. The audience has to know that you can do what you are proposing for them to do (credibility).

On the Navajo Reservation good programs have included: (step back 30 years).

- Shearing schools
- Livestock schools; Chapter House and Community and Statewide
- Bull testing
- Individual contacts with producers
- 4-H program
- Angora sire import
- Sheep sire import
- Vegetable gardening
- Home Ec. programs
  cooking, sewing,
  financial development,
  family life, child care

We have had good experiences and we have utilized existing programs to piggyback our information:

- Grazing committee
- Food stamp/commodity distribution
- Navajo homemakers
- Head start teachers

What works on Navajo Reservation doesn't necessarily work at Zuni or Isleta or San Ildefonso or Taos Pueblo!!

All Native American Groups have differences. I don't converse in the Navajo Language, but I have studied it enough to learn that Navajo's think a different thought pattern than English based thinking. There are different linguistic groups even among the Pueblos of the Rio Grande Valley. Some Indian Groups are a matriarchal society and some are patriarchal. There is a wide range of educational development among Native Americans. Indians in Oklahoma are far different in their needs from the Navajos in New Mexico.

CONSIDER THE AUDIENCE

There is defensiveness among extension professionals about making our programs available to all races. "No, we are not prejudiced! We are open to all comers!! Anyone is welcome to participate in our programs!"

But that's asking our audience to come over to our side of the fence. When you go to their side of the fence, you may have an eye opener. You will develop a different perspective "Walk a mile in his moccasins." Have respect for the culture you are working with. Recognize that there are cultural differences in personal priorities, family, job, housing, transportation, religion, money, etc. See it from their perspective rather than yours. Public Health Service has a view of Navajos hauling water in pickups... "How awful", but to Navajos it is progressing from a wagon to a pickup.

PERSONNEL

Must be suited to the positions - not a dumping ground for cast off agents - spouse must be tolerant and supportive - need agents or well-trained paraprofessionals committed to education - almost missionary attitude.

THE INSTITUTION AND MONEY

The existing Land Grant University Extension Systems has the best capability to deliver extension educational programs for Native Americans. Extension programs are clientele directed with local advisory committees determining program priorities and direction. The network of county agents across the United States allows me to pick up the telephone and call another agent to locate livestock or agricultural commodity information. The back-up of Extension specialists at the University with contacts at the Experiment stations is just a phone call away. In-service training is conducted for agents on a regular schedule. The program is tried, proven and stable.

Setting up an Extension Service with Tribal Community Colleges or Governments seems at first blush to be a very good idea with Tribes running their own program and determining priorities. In most cases these programs have been short-lived due to re-allocation of priorities and funding. They also lack the University system backup and the nationwide network that the Extension System has built-in. These programs have generally relied on the local University Extension Agent for back up. In these cases this provided a short-term extended delivery system for extension programs.

The Institution and the Administrators must be committed!! The agents need backup, not snoopervision. Agents need freedom to develop special programs for special audiences. Some Universities are diverting a large percentage of program funds to administration. I'm sure some are necessary, but surely the percentage could be less in many cases. Administrative functions are already in place. Program funds should reach the people with programs, not feather some administrator's nest!! This is part of the problem with BIA. Too much program money is burned up in administration and the programs never reach the intended clients. University administration should allow agents to make decisions about proper dress. Agents should dress for the occasion and the location. There should be respect between professors, specialists, administrators and agents.

POSSIBLE SOLUTIONS

Additional money directed through NMSU and other Land Grant Institutions from USDA or transferred from USDI to USDA at the Washington level on a stable continuing basis could provide the additional staff needs and O & M.

The tribes could indicate their desire for Extension Programs by providing matching funds or facilities and equipment. The unstable political climate on some reservations from time to time causes tribal funding to be unstable, so some sort of back up mechanism for Tribal funds may be necessary.

There should be good cooperation between county offices and agents providing service to Indians, but in some cases, separate administrative setups would provide better service to the Indians. Smaller reservations and smaller programs may work okay, but where reservation size warrants it, offices should be administratively separate.

A LITTLE ABOUT SAN JUAN COUNTY

Population 1980 - 81,433 - third largest in New Mexico in population.
Estimated 1990 - 118,000

60% urban
38.8% rural non-farm
1.2% rural farm

11.8% Hispanic
.4% Black
33% Indian
55% Anglo

Land Area: 5,500 square miles
Half of this land area is Navajo reservation; 2/3 to 3/4 of the total land area is Indian occupied lands.

From the County Seat (Aztec) to southwest corner of county is 100 miles one way! (There is a 4-H club there). To conduct a program at White Rock Chapter on the reservation it takes 1 1/2 hours just to get there! Seventy-five miles pavement and ten miles dirt road.

115,500 acres irrigated cropland, up from 59,700 in 1970. This increase in irrigated acres is due to the development of the Navajo Indian Irrigation Project - 60,000 acres now, up to 110,000 when finished.

140 day growing season.

9.31 inches precipitation per year.

Principal crops: alfalfa hay, corn, irrigated pasture, cattle, sheep, angora goats, wool, mohair, dairies, cattle feedlot, lamb feedlot, wheat, potatoes, beans, barley, apples, onions, vegetables, etc, etc.

Farmers include PhD's to those that don't speak any English at all.

TESTIMONY OF

THOMAS R. WHITE
GOVERNOR
GILA RIVER INDIAN COMMUNITY
SACATON, ARIZONA

BEFORE THE

SELECT COMMITTEE ON INDIAN AFFAIRS
AND
SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

REGARDING THE 1990 FARM BILL - INDIAN AGRICULTURE ISSUES
WASHINGTON D.C.

February 20, 1990

Mr. Chairman, Members of the Committees, fellow Tribal leaders, it is my pleasure to testify today on behalf of the Pima and Maricopa Indians of the Gila River Indian Community, Arizona, regarding farm issues that affect Indian Tribes. As you consider reauthorization of the current Farm Bill, it is extremely important that the Bill's impact on farming that takes place on Indian Reservations be assessed.

I consider these hearings as extremely significant and unprecedented because in my memory there has been virtually no attention focused on the problems of Indian farmers and very little attention focused on the relationship between the Department of Agriculture and Indian Tribes. My purpose in participating in these hearings is to stimulate action in the Department of Agriculture and in the Department of Interior to improve the state of Indian Agriculture on Indian Reservations. Once these hearings have been completed, I urge the Senate to increase funding of those programs that will not only improve the status of Indian farmers, but also improve the quality of life on Indian Reservations.

I. AGRICULTURE IS THE BASIS FOR THE ECONOMY OF THE GILA RIVER INDIAN COMMUNITY.

Pimas and Maricopas of the Gila River Indian Community have since time immemorial farmed the Gila River Valley in South Central Arizona. The Community remains a farming area despite being on the periphery of the growing Metropolitan Phoenix Area. Our Reservation borders the Cities of Phoenix, Tempe, Chandler, Gilbert, and Mesa, and as agricultural land is taken out of production in Maricopa County for commercial, industrial, and residential purposes, the Community's agricultural capability will become even more significant.

Land on our Reservation is farmed by the Community's Gila River Farms, individual Indian farmers, and non-Indians who lease land from individual allottees. Unfortunately, the land tenure system and the lack of water have hindered the development of farming at Gila River. For instance, approximately one-third of the Reservation land has been allotted in ten acre parcels. Obviously, many parcels have to be consolidated before an economically viable farm unit can be developed.

The cyclical water supply and inability to consolidate land has greatly restricted individual Indian farmers. However, it is my hope that once our water rights are vindicated, that farming on the Gila River Indian Reservation will develop at a greater pace and be an even greater economic force for Pimas and Maricopas.

II. FARM CREDIT

Indian Tribes and individual Indian farmers are confronted with all of the same problems that face farmers throughout the United States. But in addition, Indian agricultural enterprises must also cope with the unwillingness of lending institutions to extend credit to farms located on Indian land.

Annual capital is necessary for crop production as well as long term capital for development on our Reservation. But the sources of capital for crop production are ordinarily limited to the local lending institutions. These lending institutions typically secure loans by using land as collateral. However, trust lands on Reservations causes lenders to be extremely cautious of providing capital for crop production. Obviously, the trust status of Indian land exacerbates and complicates an Indian borrower's problem in securing long-term development loans on Reservation lands.

Funding sources in the past have been limited to local financial institutions, grants, Farmer's Home Administration and Soil Conservation Service cost sharing programs. However, many of these programs are administered under unduly restrictive funding limitations and competitive qualifications which prevent many individual Indian farmers from qualifying for loans. The administration of these programs is also complicated by documentation required of individuals and tribal enterprises that are not required of non-Indian applicants. For example, some applicants are required to provide tribal resolutions approving the development and guaranteeing repayment or funding deposits to guarantee the loan.

Gila River Farms and individual farmers have not used the direct loan or loan guarantee programs available through the Bureau of Indian Affairs because of lack of notice of funding availability and limitation of funds in the program. The administration requirements of the program also cause difficulty. To qualify for this program an Indian farmer must first be rejected for financing by three lending institutions. The time involved, not to speak of the humiliation, prevent many of our farmers from meeting planting schedules.

Everything is not hopeless in terms of agriculture capital. Gila River Farms, after reorganization in 1968, has been continuously successful in securing crop loans and long-term development loans from Valley National Bank of Arizona. This institution has been perhaps the only financial institutions interested in fostering development of agriculture on Indian Reservations.

The annual crop loans were first secured using the crop as collateral, and also because of the creditworthiness and reputation of its farm manager. Since the first loan twenty-one years ago, the Farms has not failed to pay its annual crop loan. Many of our farming operations are capable assuming of this type risk management if given the opportunity.

In November, 1977, the Community and the Farms entered into a contract with the U.S. Bureau of Reclamation making Gila River Farms the first Indian project to receive a Small Reclamation Projects Act loan. The loan funds were used to rehabilitate existing farm lands and improve irrigation delivery systems allowing the Farms to improve their overall irrigation and farming efficiencies. These improvements allowed the Farms to cultivate more land with the existing water supply and increase their annual revenues which are being used to repay the loans on an annual basis. The Farms is now in the 5th year of repayment on this loan of approximately fourteen million dollars and has just recently completed construction under a second contract and is beginning repayment. The two loans together total over twenty-one million dollars. These type loans are somewhat unique to Indian tribes and are not available to individual farmers.

The Community is proud of the success of the Gila River Farms operation. But the Community at the same time recognizes the need for development of agriculture on allotted lands. Funding sources for agricultural development are limited leaving most of the allottees who desire to farm with development leases as the only alternative. These leases are multi-year and provide a low return to individual land owners.

The Community urges the Congress to consider creative approaches to farm credit and development loans as part of this and future Farm Bills. Available funding would allow Indian Tribes and Indian farmers and landowners to develop their lands by farming or leasing. The income generated could repay long-term loans and support Tribal governmental activities or individual farm families. An important consequence would be that unemployment on our Reservation and all Reservations could be reduced.

III. WATER CONSERVATION

Water is the limiting factor for agriculture development on our Reservation and the availability of water controls the future of our Tribe. Farming is dependent on the Community's on-going efforts to provide an assured water supply.

The Community recognizes the need for water conservation in its agricultural practices. Maximizing the benefits of our water resources can only be achieved if our irrigation systems are completed and the existing systems rehabilitated. These improvements can only be achieved if funding is made available. As Congress consider water conservation issues in this and future Farm Bills, as much consideration must be given to Indian irrigation systems as is given non-Indian systems.

The Community requests that the Senate Indian Select Committee and the Committee on Agriculture, Nutrition, and Forestry, proceed with Indian Irrigation Oversight hearings at the earliest opportunity and schedule regional hearings so that local input can be provided to the Committee.

IV. SOIL CONSERVATION PROGRAMS

The Gila River Indian Community and its members respect their land and are committed to protecting land not only because land is a physical resource but also because land is a central part of our culture and religion.

Conservation programs implemented in the past and proposed for the near future are of great concern to the Community. Programs as intended by Congress may not be the problem, but programs as implemented by different government agencies puts Reservation farmers in conflict with conservation of the land. For example, the Bureau of Indian Affairs require both crop rotation and protection of crop bases by participation in commodity price support programs. In many cases the land has been farmed year after year in cotton to generate revenues to pay the leases. If a grower meets the crop rotation requirements and plants wheat or some other grain crop then he is not in compliance with the commodity price support program. The Community is concerned with the implementation of the "Sodbuster" program on the Reservation. The Community could be subject to non-compliance actions for the actions by tenants. The Community can not police the actions of all of its tenants while at the same time can not continue to farm with out participation in Department of Agriculture programs. The Community requests that the 1990 Farm Bill include language recognizing and requiring the Department of Agriculture to recognize the unique status of Indian tribes and Indian agriculture.

It is our feeling that the Soil Conservation Service can be of great assistance if funds are available to cause soil surveys to be completed on Indian Reservations. We therefore urge that additional appropriations be considered so that Indian farmers and Indian Tribes have the opportunity to farm land on Indian Reservations.

Finally, the Farm Extension Service and Agriculture Home Economics Programs must be sufficiently funded so that their services may be extended to Indian Reservations.

V. WIC PROGRAM

The WIC Program (Special Supplemental Food Program for Women, Infants, and Children) is entering a most challenging phase. Bringing down the rate of infant mortality, particularly on Indian Reservations, is not going to be easy, as the most recent analysis by the Centers of Disease Control suggests. The easiest part of the job has been done, namely, to provide nutritious supplemental foods (milk, cheese, cereal, juice, eggs, beans, and infant formula) to those certified for enrollment on the WIC program. However, at Gila River only 1300 of the 2400 potential clients (54 percent) are currently being served. We have the capability and mechanism to serve all eligible clients but Congress must increase appropriations so that we have the resources to provide services to all eligible Indian children.

WIC is a program for the local community, but its future depends on professional managers at the local level as well as at the "state", regional, and national level who are able to translate Indian needs into national priorities. The Community urges the Department of Agriculture do the following:

1. Establish a management system to coordinate all USDA programs at the local level must be initiated and developed.
2. Establish a WIC center for training and technical assistance for evaluation of differing approaches to solving management problems and for maintaining an information base accessible to all state and local mangers and staff.
3. Develop a comprehensive, long-term research agenda for WIC and infant health. Developing and updating a research agenda that addresses current and future WIC program needs requires information. This will require a regular flow of information from state and local programs. For example, special health needs of people living in the local area should be considered when developing the WIC food package.

The WIC Program has grown over the past 20 years, and has been a success because it met and is meeting an obvious human need and because carefully researched scientific proof of its social value was developed. The new funding formula indexed for inflation of food an administrative expenses that took effect this year was a step in the right direction. However, the growth in funding since 1980 has not kept pace with inflation. One way to address the financial need was the development of the infant formula rebates. However, the mandate for sole source rebates scheduled to begin in FY 1991 will be to the detriment of the baby.

VI. CONCLUSION

The Community, Gila River Farms, and individual Indian farmers are determined to continue the development of agriculture on the Gila River Indian Reservation. The support of the Department of Agriculture and the Department of the Interior is vital. We appreciate the opportunity to present out our views and look forward to working with the Committees and the implementing agencies in the future.

Intertribal Agriculture Council
Calvin Waln, Secretary, Box 189, Parmelee, South Dakota 57566

Prepared Statement of the Intertribal Agricultural Council before the February 20, 1990 Joint Oversight Hearings on Indian Agriculture held by the Senate Select Committee on Indian Affairs and the Senate Agriculture, Nutrition and Forestry Committee

Mr. Chairman, I am Calvin E. Waln of the Rosebud Sioux Tribe of South Dakota. I am Secretary of the Intertribal Agriculture Council, and want to express the gratitude of our 52 member tribes for your interest and concern as represented by your inviting us to this hearing today. The testimony I am giving is intended to provide a brief overview of unique features of land status and their relationship to Indian agriculture and economic development on Indian lands.

The General Allotment Act of 1887 which insured a continual erosion of our land base, created problems in management, leasing and economic development. Fractionalization of Indian trust lands continues to go unchecked and unresolved on Indian reservations.

The ownership of much of the land in Indian country is in the form of undivided interests, in which hundreds or thousands of Indian heirs to the original allottees will own a tiny fraction of 160 or 640 acres of land. The myriad problems associated with a tract of land which has literally hundreds of scattered owners are substantial, and can be summed up by indicating that with so many owners, no one has actual control or responsibility for the land, no one receives any real value from "owning" the land, and no one is empowered to make decisions on its use. These problems are endemic and beyond the scope of this simple overview. But, for the immediate purposes of the issues before these two Committees, the fractionalization creates two significant problems. First it is virtually impossible to obtain the maximum economic benefit from the land when it is in this status since no owner can use it and lessees will not pay full value because of the hassles involved in obtaining leases. Secondly, because the land is unmanageable by the owners, the land is managed by the BIA. As a result, the Federal government spends millions of dollars a year to do such things as write 1,000 checks for [illegible] cents a check, in order to divide the lease money among the owners of a single tract.

It is clearly in the interest of both Indian agriculture and the Federal government to attack this fractionalization. We believe that the agriculture programs can provide tools to help to solve this problem and make the land more productive for Indian economic development. It will require changes both in the way the BIA manages the fractionated land and in the way USDA administers its credit programs.

On the BIA side, to accomplish purchasing of fractional interests, it will be necessary for the Bureau of Indian Affairs to relax the regulations set forth in Title 25, Code of Federal Regulations, Parts 151.7 and 152.25. These regulations require lengthy, burdensome procedures which discourage land purchasing by tribal members.

On the USDA side, FmHA has a number of credit programs that individual Indian producers and tribes could use to purchase fractionated land, but those programs need some minor modifications to work for this purpose. Indian ranchers and farmers presently are handicapped because they must lease much of the land they use, almost all of which is fractionated land. If they could purchase the land, it would improve their profitability and reduce the government's cost of managing fractionated land. The best program for this is the FmHA Targeted Participation Program which makes loans for land to socially and economically deprived producers at 5% interest. Unfortunately, FmHA requires that the borrower come up with 30% equity in the loan. If the producer could come up with that kind of cash, he probably would not be economically deprived. By eliminating this 30% equity requirement, Congress could enable the individual Indian producers to begin buying up the fractionated interests.

Indian tribes also need to be involved in the purchasing of fractionated interests. FmHA has an Indian land acquisition program, funded at $2 million, which provides loans at 7% interest. However, few tribes have the capability to work the fractionated land they purchase. Instead they buy it and then lease it out. At 7% interest, the loans do not cash flow based on lease income and few tribes have other monies that they can use to make the repayment. Congress should provide tribes with a very reduced interest rate for land acquisition loans so that the tribes can purchase the fractionated interests and make the lands cash flow on the lease income they receive.

A related problem is that to access these loan funds, the tribes and individual Indians must deal with their county FmHA offices. As other witnesses have testified, those offices have not been receptive to Indian applicants. Therefore to repeat a suggestion made by these other witnesses, Congress needs to instruct USDA to put FmHA offices or suboffices on reservations where they will be accessible and sensitive to the unique problems and legal status of Indian land. There are other USDA programs that can also be used to address the fractionated land problem, such as the use of the CRP program and the Crop Support program to provide tribes and individual Indians with the necessary income from the land to enable them to purchase and cash flow the fractionated interest land. Other witnesses will touch on these and IAC is ready to work with the Committee staffs to develop specific legislative proposals to use the USDA programs as a tool for addressing fractionated interests.

The last 100 years are testimony to the "lack of" rather than the "administering of" the Government's trust responsibilities to the original inhabitants of this country. The Bureau of Indian Affairs, charged with administering this trust has lost sight of their goal in the maze of bureaucracy. Today, the agency levels of the BIA are left without the dollars or the manpower to properly administer the trust. The Area offices and Central Office continues to grow at the expense of the individual reservation Indian. When ten cents of every dollar is reaching the agency level, there is a real need for a re-evaluation of the system.

The need to preserve and protect a unique, identifiable people, their culture, traditions and religion is very real. To insure the continued existence of the American Indian, it is necessary for Congress to appropriate the monies required to insure that the Government's trust responsibilities are met by the BIA.

Intertribal Agriculture Council

Gary Collins, Billings Area Rep., Box 39 W.17Mile Rd., Arapaho, Wyoming 82510

Prepared Statement of the Intertribal Agricultural Council before the February 20, 1990 Joint Oversight Hearings on Indian Agriculture held by the Senate Select Committee on Indian Affairs and the Senate Agriculture, Nutrition and Forestry Committee

Mr. Chairman, I am Gary Collins of the Northern Arapaho Tribe from the Wind River Indian Reservation in Wyoming that is shared with the Shoshone Tribe. I represent more wholly the member tribes of the Indian Agricultural Council and want to express my gratitude to them for allowing me to present this testimony.

Problem:

Agriculture opportunities exist with Native American people, since land, water and labor are usually readily available. The major problem that is prevalent is the lack of "access to capital." Admittedly, the FmHA, Farm Credit System and BIA have been involved in loaning funds to Indian operators. However, these avenues of financing are slow, inefficient and prohibit opportunties for Indian operators. My point, Mr. Chairman is that the criteria, timing and inadequate technical assistance are burdens to Indian agricultural development. The capital required for Indian country to utilize its natural and people resources is not available.

Recommendations:

Several practical recommendations are in order to hopefully alleviate these problems.

The sovereignty of tribes needs to be more readily recognized so that the government-to-government relationship can be expanded to benefit Indian people, especially agriculture.

Additionally, capital should be readily available to more fully utilize the natural resources and people resources that exists today. The primary avenue for start-up and expansion funds is to establish FmHA, ASCS and Cooperative Extension offices exclusively or primarily for Indian agriculture. The intended result would be to provide more efficient and localized assistance to individual farm and ranch operators. The Wind River Reservation in Wyoming has, for example, already established a Soil Conservation Service (SCS) and County Extension agent.

Creation of financial demonstration projects would be another alternative. Funding utilized from this approach would be made accessible to individual operators. Primarily, the natural resources that exists could be readily utilized, rather than lost by under-capitalization. The demonstration projects are further intended to assist in developing the expertise for new and younger agricultural operators. Ultimately, the success of these projects would maximize tribal water, land and people resources.

Ironically, more financial and developmental attention is focused by the United States on third world countries. Although the transportation, utility, and water infrastructure is not usually developed in some third world countries as opposed to Indian agricultural areas, adequate financing is readily available.

Specific recommendations are:

1. The required paperwork and review by supervisory personnel of FmHA usually hinders the FmHA participant to adequately participate in positive "cash flow" opportunities that occur regularly. Applicants have reported lead times for BIA or FmHA action on loan requests of up to two years or more.

Simply, Mr. Chairman, the burdensome procedures by FmHA limits or eliminates the rancher/farmer ability to be flexible in the market place. The short term, one year nature of operating loans provided through these programs ignores the long term nature of agriculture production. Markets fluctuate monthly, which greatly impacts cash flow projections for financial farm plans, and highly successful operations can be unprofitable on paper. For this reason, we believe a program which approves operating budgets on a 5-year basis, with a simplified yearly reporting requirement, would be much more appropriate than the existing year application process. The once every five years application method would also greatly reduce the paperwork and time lags.

2. The IAC opposes FmHA 7-year eligibility for operating loans or time limit of eligibility on Indian agricultural loans, especially when the operator is not in default. The long term requirement of developing land for successful results prompts this opposition.

3. The direct farm operating loan approach is preferable as opposed to guaranteed farm operating loan for Indian agricultural development. These programs do not address the limited collateral position, short-term nature, or jurisdictional problems in accessing commercial credit sources on reservations. This would

require "lenders" to work more closely with Indian operators during times of economic adversity. Additionally, approximately one-third of the guaranteed farm operating loan budget was utilized in fiscal years 1988 and 1989, while over 92% of the direct farm operating loan budget was utilized in fiscal years 1988 and 1989. A recommendation would be to allow the operator to establish a "line of credit" with FmHA.

Quite frankly, Mr. Chairman, the risk in Indian agriculture should not be perceived by financial institutions and government programs as being substantial.

In conclusion, I would like to emphasize that Indian agriculture is under capitalized, especially with the other natural resources available to Indian operators. Access to successful financing through the various agencies should be a priority to Indian agriculture. Results from these efforts certainly would increase the quality of life in Indian country.

United States General Accounting Office

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Adequacy of Nutrition Programs on Indian Reservations

Statement of
Flora H. Milans, Associate Director
Resources, Community, and Economic
Development Division

Before the
Committee on Agriculture, Nutrition
and Forestry and Select Committee on
Indian Affairs
United States Senate

Messrs. Chairmen and Members of the Committees:

We appreciate this opportunity to discuss our findings on the U.S. Department of Agriculture's (USDA) food assistance programs on Indian reservations. This work was done at your request as well as several other members of the Senate. Our testimony today is, in part, based on our September 1989 report,[1] which addresses the availability of food assistance and the nutritional adequacy of the Food Distribution Program on Indian Reservations (Indian commodity program) and the Food Stamp Program. In addition, we will discuss our ongoing follow-on work in which Indian recipients of these programs, and community representatives, including social service providers, health care professionals, program officials, and leaders within the reservations, told us their views on how hunger and nutritional concerns were being addressed by federal food assistance. Our work was confined to four reservations: Fort Berthold in North Dakota; Pine Ridge in South Dakota; White Earth in Minnesota; and Navajo in Arizona, New Mexico and Utah.

SUMMARY OF FINDINGS

The Food Stamp Program along with commodity foods have contributed to the improved diet of Indian households on the reservations. However, there are indications that some hunger--more common among food stamp participants and nonparticipants in both federal programs--exists on all four reservations we visited. According to recipients and community representatives, the major causes of hunger are (1) obstacles in applying and qualifying for food stamps, (2) the heavy reliance on the federal programs that are not intended to provide a full diet for most households, (3) procedural requirements of the Food Stamp Program that influence the size and delivery of benefits, and (4) high food prices that erode the purchasing power of food stamp benefits.

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[1] Food Assistance Programs: Nutritional Adequacy of Primary Food Programs on Four Indian Reservations (GAO/RCED-89-177, September 29, 1989).

Of greater concern to those we spoke to on each of these reservations is the prevalence of diet-related problems, such as obesity, diabetes, heart disease, and hypertension, and how federal food assistance and the lack of adequate nutrition education may have an impact on those diseases. In particular, while the limited variety and poor quality of some commodity foods are concerns for even healthy individuals, these foods can present serious problems for participants with diseases that require special diets. Based on a consensus of people that we talked to, it appears that providing better access to food assistance, an adequate and nutritious diet, and proper education that addresses the nutritional needs of the general reservation population, as well as those with diet-related diseases, could improve the quality of life.

BACKGROUND

Our September 1989 report identifies various federal and nonfederal food assistance programs and nutrition education available on the four reservations and addresses the adequacy of the nutritional design of the Food Stamp Program and Indian commodity program. It also presents program and tribal officials' views on whether these programs are meeting the nutritional needs of Indian participants.

Our follow-on work builds on our earlier report. It provides, for the first time, the recipient perspective on how well the programs are meeting their needs and whether nutrition education is adequate. We obtained this perspective through the use of focus groups, which are small homogeneous groups assembled to candidly discuss a topic under the guidance of a moderator. We also discussed the nutritional impact of the Food Stamp Program and Indian commodity program with panels of health care and social service providers, and program officials from the reservation communities.

We focused on the two primary programs--the Food Stamp Program and the Indian commodity program--that provide food assistance to recipients on the four reservations. The Food Stamp Program increases the food purchasing power of low-income households, enabling them to buy a more nutritious diet. It is funded by USDA and administered through a cooperative federal-state effort. Benefits are provided to eligible households in the form of food coupons that are exchanged for food at participating stores. The dollar value of the food stamps that a family receives varies, based on an assessment of household size and countable income,[2] and is intended to provide a nutritionally adequate, low-cost diet when combined with a portion (about 30 percent) of the recipient's income. If a household has no countable income, food stamps provide for their total monthly diet.

USDA's Food Distribution Program on Indian Reservations was created primarily to help meet the nutritional needs of Indian households located on or near Indian reservations. The Indian commodity program provides participants with a monthly food package comprised of a variety of surplus and purchased commodities. The package is intended to be consistent with national dietary guidelines, and the size of the food package does not vary with income. USDA considers the Indian commodity program to be a supplemental food program, which is not intended to be the sole source of food for recipient households for the complete month. Reservation households that are eligible to participate in both the Indian commodity program and the Food Stamp Program may choose to participate in either but not in both programs simultaneously.

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[2] Not all of a household's income is actually counted. Some exclusions and deductions are allowed when determining its food stamp benefits.

HUNGER IDENTIFIED AS A PROBLEM PRIMARILY FOR NONPARTICIPANTS AND FOOD STAMP HOUSEHOLDS

Federal food programs have helped to alleviate hunger on the reservations by providing Indian households the opportunity to obtain a more adequate diet. However, at all four reservations, some of the food stamp and commodity recipients told us that they often did not have enough food to eat and had to borrow food or skip meals to make it through the month. Health and social service providers from these communities had also witnessed hunger--among families who needed food assistance but could not get it; among children, for whom the one meal of the day was the school lunch; among the elderly who gave some of their food to other needy family members; and finally, among food stamp participants who ran out of benefits before the end of the month or who had to wait weeks for their food stamps.

Recipients and community representatives identified various factors to help explain the causes of hunger on the reservations. Some factors, such as the Food Stamp Program's lengthy application process and stringent eligibility criteria, illiteracy, language barriers, and poor physical access to food stamp offices, are perceived as obstacles to participation in federal food assistance. Other factors relate to high unemployment that leaves households that participate in the programs with little resources beyond their food assistance with which to buy food, and the procedural or administrative requirements of the Food Stamp Program.

The lengthy application form, which combines application to several assistance programs, and the need for receipts, pay stubs, and other documentary evidence to verify statements on the application form deter some households from applying to the program, according to either recipients or community representatives at all locations. Further, according to one Food Bank official, the time it takes some households to meet the verification requirements could delay receipt of food stamps by up to 3 or 4 weeks. While the Food Stamp Program can expedite benefits for applicants with little income, this official did not indicate whether households that were experiencing delays were eligible for expedited benefits. It should be noted, however, in an earlier study[3] of other states' practices, we found indications that eligible households were not always offered expedited benefits.

In addition, illiteracy, language barriers, and poor physical access to the food stamp office further hinder participation for many Indian households. For example, participants may have to travel anywhere from 30 to 165 miles one way to get to the main food stamp office on the Pine Ridge and Navajo Reservations, which can limit their ability to comply in a timely manner with the procedural requirements of the program. According to both recipients and community representatives, the limited number of offices serving remote areas of the reservations and the absence of reliable transportation make the program inaccessible for many.

Food stamp offices at some of the reservations offer alternative services where applicants can be interviewed at a satellite location in lieu of the main office. However, operation of these satellite offices may be limited to 1 to 4 days a month, and for a limited number of hours each day. Furthermore, the lack of adequate transportation can make even the satellite offices inaccessible. According to community representatives at some reservations, many households must rely on neighbors or others for transportation to the food stamp office.

At all four reservations, recipients and community representatives agreed that a principal obstacle to participation in the Food Stamp Program is the asset limitation as applied to automobiles. Because only $4,500 of a vehicle's value--an amount set in 1978--is excluded from consideration when applying the $2,000 asset limitation for eligibility, families with cars that are less than 3 years old, in all likelihood, will not qualify for benefits. Some commodity recipients at three reservations told us that they could not qualify for food stamps because they had cars that exceeded Food Stamp Program limits, while others indicated that they had sold their cars in order to qualify for the program. Furthermore, community representatives told us that households do not understand the eligibility and administrative differences between the two food assistance programs and wrongly assume that ineligibility for one program automatically disqualifies them from participation in the other.

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[3] Food Stamp Program: Administrative Hindrances to Participation (GAO/RCED-89-4, October 21, 1988).

Recipients and community representatives told us that they also had concerns about the monthly reporting requirement of the Food Stamp Program and the administrative burden it places upon recipients. Households with earned income that are subject to this requirement must report income, expenses, and other information that determines benefit levels and to provide supporting documentation. Failure to submit a complete and timely monthly report can delay benefits or cause participants to be terminated from the program.

In an earlier report[4] that looked at the reasons for food stamp participants being temporarily terminated from the program, we found that states may adopt a monthly reinstatement option. This option permits states to accept a monthly report in the month after it is due and provides the recipient, if still eligible, a full month's benefits, rather than reduced benefits prorated from the time the report was correctly submitted. We noted that 13 states had not adopted this option, including Minnesota, which contains the White Earth Reservation; North Dakota, which contains the Fort Berthold Reservation; and New Mexico and Utah, which contain portions of the Navajo Reservation.

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[4] Food Stamp Program: Participants Temporarily Terminated for Procedural Noncompliance (GAO/RCED-89-81, June 22, 1989).

Recipients that we talked to at the Fort Berthold and Navajo reservations have had their benefits terminated for untimely reporting and have had to reapply for benefits. Others at Fort Berthold, Navajo, and Pine Ridge have experienced delays of anywhere from 10 days to 1 month in receiving benefits because they did not complete or made errors in their monthly reports.

Because information from the monthly reports is used to establish benefit levels in subsequent months, the food stamps received may not be sufficient to meet current food needs. Although the program is designed to provide a means of obtaining minimum food requirements through a combination of food stamps and income, in practice this does not happen when recipients have fluctuating incomes and expenses. For example, a household's prior month's income could be high, resulting in a small benefit, when the household may need a larger benefit in the current month due to a loss of income or higher shelter costs. According to some recipients at three of the reservations, this type of mismatch creates hardships for many.

High reservation food prices and costs to travel off the reservation to buy lower-priced food contribute to hunger among food stamp participants, according to recipients. They pointed out that because the food stamp benefit is based on the cost of purchasing the Thrifty Food Plan[5] at current average national food prices, it does not take into account the high food costs on the reservations.

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[5] USDA's lowest cost diet plan that specifies quantities and types of foods providing a nutritious diet.

Additionally, recipients at some reservations told us that since food stamps are issued to everyone on the same day of the month, grocers can and do increase food prices during the week of issuance. Although food stamp regulations allow states to stagger issuance of stamps, we noted that only the states serving the Navajo Reservation use a staggered issuance schedule.

Recipients also told us that to get better value from their food stamps, they had to travel 50 to 75 miles off the reservation to purchase food at lower prices. Recipients we talked to who did not have cars or whose cars were unreliable had to incur the expense of finding alternative ways to travel.

NUTRITIONAL CONCERNS

At all four reservations the most prevalent diet-related concerns are obesity, diabetes--which is near epidemic proportions at Fort Berthold and Pine Ridge--heart disease, and hypertension. According to health care providers, diets low in fat and salt and high in nutritional variety can prevent or minimize these diet-related diseases at the four reservations. Recipients and community representatives we talked to believe that the Indian commodity program cannot accommodate the special diets required to treat these problems unless changes are made to the food package. Also, many recipients we talked to had limited resources beyond their food assistance, particularly at Fort Berthold, and had to rely on the commodity foods for most or all of their diet.

Recipients and community representatives told us that the commodity package lacks the nutritional variety needed for a healthy diet because many commodities are consistently unavailable, servings of vegetables and fruits are inadequate, and some other foods are inedible and cannot be used. At three reservations, approximately half of the 60 plus items offered in the program are available at any given time for recipient selection. As a result of the poor variety, some recipients told us that they often eat the same foods throughout the month and often for many months at a time. For example, often the only meat is luncheon meat, the only vegetable is canned green beans, and the only fruit is canned pineapple.

While we did not examine the reasons for the lack of variety in the program, we were told that many factors affect the availability of commodities. According to USDA, market conditions, tribal food preferences and ordering practices, price fluctuations, and storage limitations at the state and reservation level limit the variety of food available at specific reservations for specific months.

Community representatives noted that the package, as presently designed, does not provide adequate servings of fruits and vegetables for healthy individuals. According to USDA, the commodity package provides only 73 percent of the servings of fruit and 28 percent of the servings of vegetables recommended by the American Red Cross and USDA. Because diabetics need more of these items than do healthy individuals, according to Indian Health Service officials, the commodity package can significantly aggravate this problem.

Recipients in each of the focus groups told us that the poor quality and inedibility of some of the commodity foods further limited variety. Spoiled milk, moldy cheese, flour infested with bugs, and canned foods with foreign objects could not be eaten by these households and had to be discarded. Although the program provides for replacement of damaged or inedible foods, recipients at some reservations told us that program officials did not replace inedible items or that recipients could not afford to drive back to the warehouse to return items. To help overcome some of these problems, recipients suggested that USDA place expiration dates on all commodities.

In 1985, USDA reviewed the nutrient profile of the commodity package and concluded that the package provided a nutritionally adequate, supplemental diet for healthy individuals and made further improvements in the program to reduce the fat and salt in the package. However, USDA's conclusion assumed that the maximum variety of foods is consistently available to recipients, which recipients' experiences indicate may be unrealistic. Some recipients and health care providers at all four reservations believe that some commodities still contain too much fat and salt and that additional changes to the package are needed.

In December 1989, USDA proposed further changes to the commodity package to make it more consistent with dietary guidelines and to be more responsive to the special needs of its participants. These changes would increase the quantity of fruits and vegetables and further reduce the fat and salt content of the package.

NUTRITION EDUCATION

Since many of the health problems on the four reservations appear to be diet-related, community representatives told us that providing proper education through the federal food assistance programs is necessary to the prevention and treatment of these problems. Commodity participants, in particular, could benefit from nutrition education as they may not get an adequate variety of foods or be able to control the fat and salt content of their diets. According to recipients, some nutrition education is available on the four reservations, but efforts by the commodity program are limited, and little, if any, assistance is provided to food stamp participants.

Nutrition education is a component of both the Food Stamp Program and the Indian commodity program. The Secretary of

Agriculture has discretion in setting the form and content of nutrition education programs for food stamp participants and the state agencies administering the Indian commodity program determine the form, content, and amount of program funds allocated to nutrition education activities.

We found that nutrition education activities of local food stamp offices serving the four reservations consisted primarily of having nutrition brochures and other literature available for food stamp recipients. However, because most recipients receive food stamps at their residence, they are not exposed to this literature except when applying or reapplying for benefits. Food stamp recipients we interviewed at the four reservations were neither aware of nor had they received any nutrition literature from their local food stamp office.

We also found that nutrition education provided by the commodity program was limited and varied by reservation. The Navajo commodity program provided the most nutrition education activities of all four reservations, although not all recipients participated in the educational program.

At the White Earth, Fort Berthold, and Pine Ridge reservations we found that other federal agencies or programs were providing nutrition education--primarily the Indian Health Service, USDA's Special Supplemental Food Program for Women, Infants, and Children, and USDA's home extension service. Commodity recipients we talked to were aware of some of these efforts, but told us that these activities may not be available to all food assistance participants because they require an agency referral.

Health care providers at all four reservations told us that for nutrition education to have the greatest impact it should be provided along with federal food assistance. Also, to guarantee a certain level of activity, Navajo representatives recommended that the Food Stamp Program and commodity program earmark funds for nutrition education instead of leaving it to the discretion of local administrators of the programs.

Community representatives from the Navajo and Fort Berthold reservations also suggested that the federal health, welfare, and food assistance programs be allowed to consolidate program funds to sponsor mass media campaigns and education programs that would promote understanding of good health and nutrition and to allow the agencies to use outside experts to effectively design these programs.

Community representatives noted that nutrition education provided through the federal programs needs to be tailored to the behavior and knowledge of recipients and that one-on-one counseling with a nutritionist is the most effective way. White Earth, Fort Berthold, and Navajo representatives also thought that nutrition education should address cultural foods and their effects on health as well as different ways to prepare commodities in times of limited nutritional variety.

In addition to providing nutrition education through the food programs, community representatives at all four reservations thought that more nutrition information should be provided through the public school curricula to address dietary habits at an early age. They believe there is a need for extra training for teachers, particularly in elementary schools, and for parents so that learning can be reinforced outside the classroom as well as inside.

GAO OBSERVATIONS

Many factors affect the nutritional status of Indians: the availability of an adequate food supply, accessibility to food, understanding how to select and prepare nutritious foods, and individual health problems, which may impair a person's access to an adequate diet. Based on a consensus of people that we talked to, many of these factors cannot be fully addressed by existing federal programs. However, improving the adequacy and availability of food assistance and proper education may allow broader participation in the federal food programs and help reservation households attain better nutrition.

Based on our current and past work,[6] the application process and asset limitations can be obstacles to participation in the food stamp program. Illiteracy, language barriers, poor physical access, and a lack of understanding about program eligibility and benefits are additional factors that can make the administrative requirements obstacles for Indian applicants.

Some of these obstacles can be minimized through better implementation of existing services authorized by food stamp legislation and regulations. For example, funding for outreach services, which has been reinstated by the Hunger Prevention Act of 1988, is available to states to promote informational activities regarding program eligibility, benefits, and the application process. Further, current program regulations require states to provide assistance to applicants who have difficulty in obtaining the required documentary evidence to support information on their application. This service could make the application process less burdensome for those households who are experiencing problems.

People that we talked to told us that one change that could make the Food Stamp Program more accessible to Indian households involves the $4,500 automobile exclusion in applying the $2,000 asset limitation. They believe the $4,500 exclusion, which has not been updated since 1978, limits participation in the program, can deny rural participants the reliable transportation needed to comply with procedural requirements of the program, and does not account for inflation.

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[6] Food Stamp Program: Administrative Hindrances to Participation (GAO/RCED-89-4, October 21, 1988).

Additionally, recognition of how some food stamp procedural requirements and administrative practices can impact food stamp benefits is important to addressing hunger on the four reservations. Delays or interruptions in food stamp benefits resulting from noncompliance with monthly reporting requirements, as we previously reported,[7] can be partially addressed by adopting the reinstatement option that allow states to accept reports up to one month late with no interruption in benefits. It should also be noted that the Hunger Prevention Act of 1988 makes monthly reporting an option of the state agencies.

In addition, recipients and community representatives believe that staggering the issuance of stamps throughout the month, instead of issuing them to all participants concurrently, might help discourage grocers from raising their prices when food stamps are issued.

Reducing the prevalence of obesity, diabetes, heart disease, and hypertension depends on Indians having food available that is low in fat and on changing certain aspects of their lifestyles, such as choosing food low in fat and salt, preparing these foods in a nutritious manner, and increasing exercise.

Since many Indian households rely heavily on food assistance for their diet, providing quality food and proper education through the federal programs is important to the prevention and treatment of these diet-related diseases. Ensuring that adequate nutritional variety is consistently available, the fat and salt content of the package are within moderate levels, expiration dates are placed on commodities, and inedible commodities are replaced can improve the quality of diet provided commodity recipients.

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[7] Food Stamp Program: Participants Temporarily Terminated For Procedural Noncompliance (GAO/RCED-89-81, June 22, 1989).

Improving the quality of diet for food stamp and commodity households depends on proper nutrition education to convince the Indian population with diet-related health problems to adopt the food preparation and consumption patterns that will benefit them. Proper nutrition education can better assure that program recipients are getting the maximum value from their food assistance benefits.

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This concludes my prepared statement. We will be pleased to respond to any questions.

PREPARED STATEMENT OF EDWARD LONE FIGHT

Mr. Chairman, I am Edward Lone Fight, Chairman of the Three Affiliated Tribes of Fort Berthold, N.D. I am pleased to have the opportunity to give testimony regarding the nutritional value of the Commodity Food Distribution Program and the Food Stamp Program on Indian Reservations.

Several food programs do provide nutritious food to eligible Indians - The Food Stamp Program, WIC, the Commodity Supplemental Food Program (CSFP) child and elderly nutrition programs, and programs especially designed to include Indians living on or near reservations such as the FDPIR (Food Distribution Program for Indian Reservations - more commonly known as the Commodity Food Program). The two largest food assistance programs serving Indian reservations are the Food Stamp Program and the Commodity Food Program.

Four major diet-related health conditions exist on reservations: obesity, diabetes, heart disease, and hypertension. Although proper nutrition may not cure these conditions, it can reduce their complications or help prevent their occurrence.

Reservations are often located in remote and harsh areas of the country, and on lands not suitable for farming. The Fort Berthold Reservation covers 1,550 square miles of rocky, mountainous, terrain (basically unsuitable for farming and ranching) and is traversed by

Lake Sacakawea which has a shore line of 600 miles, thus leaving the reservation divided into five isolated segments. This makes for long travel distances to food stores and health centers. Some people travel 50 to 100 miles for basic needs.

As a result many Indian people are unable to provide all their own food. These people come to rely upon federal food assistance programs to fulfill their nutritional needs. High unemployment rates and low-income levels are further reasons why federal food assistance continues to be needed. From 50 to 79 percent of the potential working population is unemployed, and average household income is approximately $9,000 annually.

On the Fort Berthold Reservation, combined participation in the Food Stamp and Commodity Food programs is approximately 90%. The participation rate for each program is about 45% of the population.

Households that are eligible to participate in both programs may, from month to month, choose to participate in one program and then the other for a number of different reasons.

For a variety of reasons such as pride, lack of transportation, and the erroneous belief that they are not eligible for program benefits, some Indians may not participate in these food assistance programs.

It is my observation that Indian people may prefer food stamps to Commodity Food Program food packages for the following reasons:

- Food Stamps allow the purchase of a wide variety of food items not available in the Commodity Food Program's food distribution packages, such as fresh fruits and vegetables and special dietary items.

- Recipients do not like the foods in the food packages or get tired of using the same food choices.

Reasons why people may prefer commodity food over food stamps are:

- The Commodity Food Program application process is a less complex and time consuming procedure.

- Asset and income requirements are not as stringent for the Commodity Food Program as for Food Stamps, making if easier for recipients to qualify for Commodity Foods.

- Grocery stores may not be conveniently located for using Food Stamps.

- Commodity Food distribution sites on the reservations (warehouses and tailgates) make it easier for recipients to obtain food.

- Due to income calculation rules, in some cases recipients can get more food through the Commodity Food Program than they can with Food Stamps.

- Distance to Food Stamp offices may prohibit those without access to reliable transportation from applying for or receiving Food Stamps.

Factors such as the application process, transportation problems, and the treatment of assets or income for eligibility may affect participation in these two programs.

The Food Stamp application process is complicated and time consuming, and some Indians are intimidated by it.

Transportation problems can present obstacles for food recipients. Some Indians have little or no access to transporation. For those Indians with vehicles, transportation may be costly and particularly difficult in inclement weather.

Winter particularly aggravates the transportation problem of Fort Berthold residents. In some instances, severe weather may preclude recipients from picking up their food packages or traveling to a grocery store.

Many of the diet - related conditions found on the reservation can be prevented or their complications reduced if changes are made to the content of foods in the Commodity Food packages.

Traditional Indian cooking practices, food preparation, and lack of refrigeration may have adverse effects upon the nutritional value of foods obtained from Commodity Foods and Food Stamps.

Nutrition education can help ensure that Indians receive maximum nutritional benefits from food packages and foods purchased with Food Stamps. With nutrition education, food packages can be used to prepare nutritious meals for Indians, including those with diet-related diseases. For Food Stamp recipients, nutrition education can help recipients make more knowledgeable decisions about purchasing foods according to nutrient value and cost.

Various factors may affect how recipients use Food Stamps and thus the nutritional benefits derived from their use. On the Fort Berthold Reservation these factors include variances in food prices, grocery store inaccessibility, and lack of skill in buying, planning, and preparing meals.

Food Stamp benefits for reservation residents can be affected by the costs of food both on and off the Reservation.

Because of the limited number of grocery stores on the Fort Berhold Reservation and the high food prices at such stores, reservation residents often shop at an off reservation town where food prices are generally lower and selection greater. To do so, Food Stamp recipients must travel as far as 100 miles.

Food package variety is an important aspect of the Commodity Food Program.

Participants are offered several choices of food items among the four basic food groups. About 60 different food items, most of which are canned, are authorized for Commodity Food distribution, but not all of the items are consistently available for selection by the recipients of food packages. Although food items from each of the four basic food groups are generally available, food packages often do not contain a proper variety of foods. They are also often high in fat and sodium and they are especailly lacking in fresh fruits and vegetables.

The absence of some Commodity Food selections may reduce the overall nutritional value of the food package. Because some food package items may not be available, the program participants food choices are limited, which may force them to select and consume alternate food items that may be high in fat content and salt.

The 1985 Food and Nutrition Service (FNS) task force found that the fat content of the Commodity Food package contributed 42 percent of the calories in the diet of the Indian participant. This is more than the 30 - 35 percent recommended by the American Heart Association and the U.S.D.A. Dietary guidelines. Also, high fat cooking methods increase this problem for many Indian participants.

Many factors can contribute to the Indian obesity problem, including excessive food consumption, a poorly balanced diet, and a sedentary life style. Nutrition/fitness education is needed to help correct the obesity problem on the reservation.

High unemployment levels (70% on Fort Berthold Reservation) leave reservation households with little or no income to supplement the food received in the Commodity Food package.

Health data indicate that heart disease is the principal cause of death among Indians. Reduced intakes of sodium and fat and increased exercise may help reduce and prevent the complications of this disease which can be caused or worsened by poor nutrition.

Several food items available in the food package, such as canned meats, butter, and cheese contain high amounts of fat that can contribute to obesity, which may lead to other health problems. In addition, many of the canned meats and vegetables contain high amounts of sodium, which may contribute to hypertension.

The 1988 Surgeon General's report on Nutrition and Health stated that lack of access to an appropriate diet should not be a health problem for any American. The report also stated that food provided through food assistance programs should reflect the principles of good nutrition outlined in the report. The report specifically recommends reducing the consumption of fat and sodium and states that the public might benefit from increased availability of food and food products low in many substances, including fat and sodium. Reducing these substances is especially important for persons who have or are predisposed to obesity, diabetes, heart disease, and hypertension.

The following are some of the specific nutritional strengths of the Commodity Food Program food package items:

* Commodity chicken is lower in fat than fresh poultry with skin.

* Tuna is packed in water, not oil.

* Applesauce and fruit juices are unsweetened.

- Fruits are packed in light rather than heavy syrup.
- Peanuts are unsalted.
- A wide selection of complex carbohydrates is included in the form of dried beans, grains and vegetables.
- Vegetable oil is polyunsaturated.
- Cereals, cooked and ready-to-use, are low sugar and the ready-to-use are iron fortified.

I would like to recommend several ways in which these food programs could be improved.

Recommendation 1:

For the Commodity Food Program to meet the guidelines as set forth in the 1988 Surgeon General's report the following recommendations are made:

- Further reduction in fat and sodium are needed.
- Provide fresh fruits and vegetables as part of the food package.
- Offer cheese lower in fat content such as low fat mozzarella cheese.
- Provide soft, polyunsaturated tub margarines in place of butter or shortenings.
- Provide evaporated skim milk in place of evaporated whole milk.
- Provide nutrition labeling on Commodity Food items.

Recommendation 2:

Generally, the Commodity Food Program offers foods that need preparation from scratch. The majority of young eligible family recipients do not know how or may not have the skills and/or time for baking and cooking items such as breads and casserole dishes. Items such as flour, dry milk, shortening and powdered eggs may not be utilized. Nutrition education should be provided and more ready-to-use products should be included in food packages.

Recommendation3:
Add to the Commodity Food package products such as biscuit mixes, cake mixes, low fat dehydrated soups, and pudding mixes made with skim milk.

Recommendation 4:
To ensure a variety of foods and provide fresh produce, develop a food package using a combination of Commodity Foods items and Food Stamps.

Recommendation 5:
Nutrition Education programs need to be strengthened with literature and recipes geared to participant levels of education. Food demonstrations and classes need to be enhanced and food budgeting and purchasing methods need to be taught. Nutrition education needs to be provided for the Commodity Food Program and the Food Stamp Program recipient.

Recommendation 6:
The application procedure for Food Stamps needs to be stramlined.

Recommendation 7:
For those households with little or no income, a total food package needs to be provided.

The above recommendations will allow reservation residents to follow the guidelines of the Surgeon General's 1988 Report which promotes a diet that emphasizes the consumption of vegetables, fruits, and whole grain products - foods that are rich in complex carbohydrates and fiber and relatively low in calories - and of fish, poultry prepared without skin, lean meats,and low-fat dairy products selected to minimize consumption of total fat, saturated fat and cholesterol.

I appreciate the opportunity to present testimony and make recommendations regarding these food programs which are so important to the diet and health of Indian people. I will be happy to try and answer any questions.

19 TRIBES

INTER TRIBAL COUNCIL of ARIZONA

MEMBER TRIBES
AK-CHIN COMMUNITY
CAMP VERDE YAVAPAI APACHE
INDIAN COMMUNITY
COCOPAH TRIBE
COLORADO RIVER INDIAN TRIBES
FORT McDOWELL YAVAPAI TRIBE
FORT MOJAVE TRIBE
GILA RIVER INDIAN COMMUNITY
HAVASUPAI TRIBE
HOPI TRIBE
HUALAPAI TRIBE
KAIBAB-PAIUTE TRIBE
TOHONO O'ODHAM NATION
PASCUA YAQUI TRIBE
QUECHAN TRIBE
SALT RIVER PIMA-MARICOPA
INDIAN COMMUNITY
SAN CARLOS APACHE TRIBE
TONTO APACHE TRIBE
WHITE MOUNTAIN APACHE TRIBE
YAVAPAI PRESCOTT INDIAN TRIBE

TESTIMONY
Presented by
The Inter Tribal Council of Arizona

on

Primary Food Programs on Indian Reservations
Tuesday, February 20, 1990

Presented

by

Delia Antone, Chairperson
Ak-Chin Indian Community
Member, Inter Tribal Council of Arizona

TESTIMONY OF THE INTER TRIBAL COUNCIL OF ARIZONA TO THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS AND THE SENATE COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

February 20, 1990

Senator Daniel Inouye, Senator Patrick Leahy and members of the Select Committee on Indian Affairs and Senate Committee on Agriculture, Nutrition and Forestry, the Inter Tribal Council of Arizona expresses its appreciation for the opportunity to comment on primary food programs on Indian reservations. My name is Delia Antone, I am the Chairperson for the Ak-Chin Indian Community and a member of the Inter Tribal Council of Arizona.

Similar to other Indian people throughout the country, the American Indian tribal people living on Indian reservations in Arizona suffer disproportionately from the following diet related health conditions:

- Diabetes & complications
- Hypertension
- Dental Disease
- Lactose Malabsorption
- Obesity

Diabetes, which afflicts as many as 50% of adults in some Arizona tribes, is the major cause of end-stage renal disease (ESRD). In some tribes, the incidence rate of ESRD is 10 to 20 times the rate for the non-Indian population and is rapidly increasing. Startling data shows that for these tribes, the incidence rate of ESRD due to diabetes is more than 22 times the general U.S. incidence rate per million population and more than

8 times the U.S. rate per million diabetic population.

The mortality rate among Indian people for chronic renal failure is 2.6 times the mortality rate for the general U.S. population. The years of potential life lost among American Indians before age 65 from chronic renal disease is more than two times the rate for the general U.S. population.

High blood pressure or hypertension is a significant risk factor for the development of ESRD, especially among diabetic patients. More than one-third of diabetic American Indians have hypertension, putting them at increased risk for ESRD.

Clearly the loss of life as a result of diabetes is the most devastating consequence. Other adverse effects on the quality of life are the loss of kidneys, a leg or a foot. Approximately 20 persons out of 1,000 American Indian diabetics in the Phoenix Area will have an amputation.

American Indians have a higher rate of diabetes than the non-Indian population, but the figures vary by tribal group. For example, Eskimos and Athabascans tend to have lower rates than other U.S. Indian tribes. Among Pimas and Tohono O'odhams, however, 11% to 14% of the population is affected. The Pima and Tohono O'odham population is very young; therefore, the actual rate of diabetes adjusted for age is even higher: one out of every two people in these tribes, 35 to 45 years old is diabetic. Based on current method of tracking this rate is the highest in the world of Type II diabetes.

There is a high incidence of dental disease among American Indian infants, children and adolescents. A study conducted by the Indian Health Service supported that American Indian and Alaskan Native children develop tooth decay at greater frequency than the general population of U.S. school children. Additionally, an IHS Oral Health Survey in 1983-84, showed that approximately 53% of American Indian/Alaska Native children under the age of 5 suffer from Baby Bottle Tooth Decay. According to the World Health Organization, the highest rate in the world of Baby Bottle Tooth Decay, 72%, is found among Navajo children. The U.S. average for Baby Bottle Tooth Decay is only 11%.

Lactose malabsorption is prevalent in a number of ethnic groups including at least half of the American Indian population. Basically, because the enzyme lactase is not present in American Indians it is not easy to digest diary products. Symptoms of lactose malabsorption include vomiting, bloating, diarrhea and cramping. The result is that adequate calcium intake becomes more difficult to achieve.

Obesity is a chronic problem throughout the American Indian population. Surveillance data for fiscal year 1980 from the Inter Tribal Council of Arizona's Supplemental Food Program for Women, Infants and Children (WIC) shows that by the time food is introduced to a child (6 - 11 months), 25% of the children participating are overweight although only 9% are overweight at birth. Among participating mothers age 35 years and older, 48% are found to be overweight.

Obesity is the major contributing factor for diabetes as well as a risk factor for hypertension and heart disease.

Although proper nutrition may not cure these conditions, improved food choices may reduce the complications of these diseases or help prevent or delay the occurance.

The staff of the Inter Tribal Council of Arizona have had an opportunity to read the GAO Report to Congressional Requesters, on Food Assistance Programs, Nutritional Adequacy of Primary Food Programs on Four Indian Reservations. We are pleased and concur with many of the findings and recommendations within the report such as "...U.S. Department of Health and Human Services' (HHS) Indian Health Service (IHS) officials believe that the fat and sodium content of many of the available food items should be reduced further." Additionally, we would like to recommend the following:

__Food Distribution Program on Indian Reservations (FDPIR)__

The Food Distribution Program on Indian Reservations (FDPIR) has advantages over Food Stamps, which are primarily logistical and administrative.

The critical question of package contents versus health remains. "Food choice" cannot be used when referring to the FDPIR.

A Department of Agriculture Task Force reviewing the food package and nutrition education programs on Indian reservations recommended the following changes to the food package in order to improve nutritional quality:

- Decrease the levels of fat and sugar
- Maintain the appropriate levels of sodium
- Promote the increased intake of nutrients which are low in the current food package (through nutrition education)
- Promote the utilization of the full variety of foods currently available through FDPIR

- Develop guidelines for collecting data on food preferences and consider participants' food preferences when any package modifications are proposed
- Consider changing the maximum food packages to reflect nutritional needs and food preferences.

The Task Force also recommended the following to improve the delivery of nutrition education to FDPIR participants:

- Expand Food and Nutrition Information Center (FNIC) Services to FDPIR
- Establish an Interagency Agreement for Nutrition Education with the Indian Health Service (IHS)
- Develop nutrition education materials and program aides at the national level

RECOMMENDATIONS

- The level of fats and sodium of FDPIR packages need to be reduced further. It is not realistic to expect that participants will rinse off their canned meats before they cook them, especially if nutrition education is lacking. Further, on a number of reservations potable water is scarce and must be hauled.
- The FDPIR needs to look at methods of distributing more vegetables and fruits to Indian reservations. For example, two tribes in Arizona are participating in the FoodSHARE program. FoodSHARE is a food distribution program based on a food co-op. Each month participants exchange $12 (cash or Food Stamps) and two hours of community service for 45-55 lbs of food. The food package has a retail value of $35 - $45. The community service hours can be used in unloading, sorting and distributing the food, or other voluntary efforts which keeps the overhead low. The food package includes a variety of meats, vegetables, fruits and bread.
- Nutrition education needs to be an integral component of the FDPIR. The Inter Tribal Council of Arizona, wholeheartedly agrees with the GAO report that "Nutriton education can help ensure that Indians receive maximum nutritional benefits from food packages and food purchased with food stamps." Nutrition education needs to include more than showing participants how to cook with commodity foods.

Traditional Indian foods were nutritious and quite different from the current FDPIR food package. Early emphasis on nutrition education taught Indian people to use commodity foods. Correspondingly, as the FDPIR complies with the mandates of providing foods within the dietary guidelines and tailors food to more appropriately meet health needs of people, nutrition education will play a major role in the community's acceptance of the food changes.

- FDPIR has established that 30% of a program budget can be used for administrative costs. The costs for administering such a program may be less for a large tribe than a smaller tribe. A tribe's geographic location and size need to be factors when determining ceilings for administrative costs.

Food Stamps

Recently a physicians task force on hunger in the United States identified the first 150 hunger counties. Two counties in Arizona, Coconino and Navajo were identified among the first 150 hunger counties. The populations of these counties are primarily Indian people on living on or near reservations. The second tier of hunger counties included Apache and La Paz which also have significant Indian population.

The physicians task force found that less than one-third of the people who are eligible to receive food assistance, including FDPIR and foods stamps on reservations, are actually receiving services. The contributing factors identified for low participation included: geographic distances, lack of transportation, language barriers, and lack of outreach. From the numbers one could estimate that 12 - 13% of people were basically screened out of the system because they were were unable to complete the application, obtain all the necessary documents, and unable to spend all the time necessary to complete the application process.

RECOMMENDATIONS

- Presumptive eligibility would be administratively cost effective and would also enable individuals needing food assistance to receive the assistance. Similar to a tax return, an individual would list their income and assets and sign an affadavit stating that the information is correct. The application would then be accepted at face value and the individual would immediately receive their food stamps. Presumptive eligibility is based on the honor system because it is known that poor people are just as honest and responsible as the affluent. For administrative purposes, a sampling of applications are done to verify eligibility. Presumptive eligibility would allow the staff to do outreach and provide services rather than verify incomes. An excellent example is that during the past year, the Food Stamp application has decreased by 23 pages. Not only were the number of Food Stamps issued doubled but the error rates were decreased significantly.

- The pickup truck that belongs to people in the rural areas should be exempted from income determination despite their value. If you are applying for food stamps you cannot own a vehicle that has a value exceeding $4500 which has been determined to be the amount of 1983 pickup. On many Arizona Indian reservations, a pickup is a necessity and needed for survival of the family to haul wood and water over roads that are not paved.

In addition the Inter Tribal Council of Arizona has the following suggestions for improvement of other federal food programs:

Women, Infants and Children

The Inter Tribal Council of Arizona, Inc. acts as an Indian State Women, Infants and Children (WIC) Agency for 8 local agencies that serve a total of 10 tribes. In addition, the Phoenix Indian Community Health Services has contracted with ITCA to provide WIC services to the Phoenix urban Indian population.

WIC participants receive approximately $35.00 per month in supplemental foods which totals $2,874,079.00 for FY 90. The foods include milk, cheese, eggs, fruit juice, cereal and beans, peanut butter and formula for infants.

The WIC program was reauthorized in 1989. This legislation included many needed provisions. Some of these provisions directly impacted the ability of tribal WIC programs to effectively administer WIC.

Additionally, Congress has recognized the importance of tribes to administering their own programs regardless of size. This allowance encourages:

- o integration of tribal WIC, Maternal Child Health and Indian Health service programs,
- o tribal system specific interpretation of regulations and policies,
- o development of programs that are truly responsive to community needs.

RECOMMENDATIONS

- The Inter Tribal Council of Arizona encourages Congress and the USDA to continue to support local program administration in all food programs independent of the number of participants. WIC is an example of how well this model can work.
- The funding level needs to be increased for WIC. There is a need to increase staff to better provide nutrition services to children and mothers.

Nutrition Programs administered by the Department of Health and Human Service's Administration on Aging

The Inter Tribal Council of Arizona is an Area Agency on Aging (AAA) for the 19 tribes in Arizona and administers the funds for elder programs.

In Arizona, if a tribe elects to provide nutrition services for their elders they may use funds authorized under Title III, Title VI of the Older Americans Act Funds and Title XX of the Social Security Act. Title III provides services for anyone over

60 years of age. By regulation, tribes using Title III must provide an in-kind amount. Title VI provides services to tribes that have 50 or more people that are age 60 and over not served by Title III. Title VI does not have a match or in-kind requirement. Several tribes use Title XX to supplement their tribal nutrition programs. Title XX does not have any age or match/in-kind requirements. Additionally, the tribal elderly meals programs do receive Cash in lieu of Commodities (CILC) which reimburses to tribal programs a set amount per meal served in the following categories: over age 60 and spouses; disabled, and; residing in congregate housing.

The 1988-1990 Inter Tribal Council of Arizona, Area Agency on Aging - Region VII Area Plan shows that there are 3,153 Indian people 60 years and older on Arizona Indian reservations. Of this amount, 26% or 851 people are being served. Some of the elders may be receiving Title VI nutrition services but the numbers are not that significant.

The GAO report was quite accurate in stating that "... due to limited federal and tribal funding, special services are provided to a small percentage of the Indian populations...". Some of the contributing factors for such low participation rates are lack of facilities for nutrition sites; lack of transportation to congregate meal sites or to make home delivered meals, and type of food served.

Arizona has only one nutritionist that reviews menus for the nutrition programs. If a tribe does not have a nutritionist on staff, IHS is designated to provide technical assistance to nutrition programs.

RECOMMENDATIONS

- Funds need to be made available for facilities in order that tribes can provide meals services to their elders.
- Late payments from USDA for CILC have been problemmatic. A system needs to be developed ensuring that CILC reimbursements to tribes will be processed timely.
- Tribes should have access to Title VI of the Older Americans Act regardless of size.
- Increased funds to allow for assistance from nutritionists for nutrition education and menu development must be identified. The nutritionist would ensure the nutrition adequacy of the meals and also ensure that special dietary needs are being met. Although IHS has been helpful in attempting to fill this void, the services of a nutritionist needs to be available more frequently.

Child Care Food Program

During 1985 the Arizona State Legislature passed a bill titled Sexual Offenses Against Children. A section of the bill negatively impacted the Child Care Food Program on Indian reservations. The law mandated that child care programs (day care, Headstart and others) perform staff background checks, fingerprint employees, and require employees to sign notarized documents regarding criminal history. Based on advice from the state Attorney General's office, federal Child Care Food Program funds were withheld by the Arizona Department of Education from programs that failed to comply with the law. This occurred even though the solicitor's office issued a written opinion that the state was arbitrarily withholding the funds in conflict with federal statute.

The impact of the law was that for several months at least 2,600 children were illegally denied benefits which they were entitled to.

Tribal leaders and tribal child care program directors understood and supported the intent of the bill, which was protection of children. However, at question was the state's actions to attempt to have jurisdiction over tribes in order to force compliance with this law.

The issue was finally resolved through legislation exempting tribal governments and military installations from the processing of fingerprints through the Arizona Department of Public Safety. Additionally tribes had to submit written assurances that background screening would be conducted by appropriate authorities.

RECOMMENDATIONS

- There needs to be direct funding to tribes for the Child Care Food Program.
- Regulations and policies for federal programs need to reinforce that tribes are exempt from regulations imposed by states.

In closing, meeting the nutritional needs of Indian people is not a statutory issue but needs to be based on need as defined by dietary guidelines and nutritional related health problems.

Again, the Inter Tribal Council of Arizona appreciates this opportunity to comment on the food programs serving Indian people.

SUPPLEMENTAL TESTIMONY OF THE INTER TRIBAL COUNCIL OF ARIZONA TO THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS AND THE SENATE COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

I. Nutritional Value of Foods in the Food Distribution Program on Indian Reservations

The food package provided by the Food Distribution Program on Indian Reservations (FDPIR) is not composed of foods that are nutritionally appropriate per national guidelines/recommendations by the National Academy of Science and the American Heart Association, and for the health needs of the population it is designed to serve. Several studies conducted by the Food and Nutrition Service (FNS), the General Accounting Office (GAO) and Meals for Millions Freedom From Hunger Foundation have recommended changes to the food package offered to participants of the FDPIR. Though the 60 foods potentially available from the FDPIR are difficult to evaluate nutritionally due to variations in availability, each study has come to similar conclusions and recommendations; reduce salt and fat and increase several of the vitamins such as Vitamin A. USDA has stated that the recommendations of the studies that have not been implemented are due to the increased cost of changing the foods.

Recommendations

Standards given manufacturers for packaging of food purchased for the Food Distribution Programs by USDA should be changed to reflect recommendations of the studies cited above and the guidelines established by the National Academy of Sciences and the American Heart Association. It is irresponsible to be immobilized by the assumption that the changes recommended in food standards would prohibitively increase the cost of the food included in the program. More likely, the increased cost would be minimal since the food quantities are large enough to obtain competitive bids. If the changes were made, the corresponding impact on health could be substantial. Consideration should be given to the elimination of obvious sources of fat and calories, in addition to other changes to reduce fat in other foods.

For instance, the fat available as lard or liquid oil for food preparation (excluding butter and the fat in foods), provides for an additional 46,720 calories per year, or the equivalent of 13+ pounds of fat annually. The food package, prior to preparation, contains more fat and excess calories than what is acceptable per the guidelines stated above. If palatability of foods is unacceptable when, for example, salt and sugar are reduced, alternate foods should be considered. Efforts should be made to identify alternate foods to replace foods eliminated due to nutritional considerations. Evaluation of the food package should consider food preparation methods commonly used. The product should be evaluated as consumed rather than as distributed. For example, beans should be evaluated as eaten, with some salt and fat added, rather than as dried beans.

Changes in the foods currently available should be considered. Fresh produce should be considered for inclusion, but could be difficult to include due to storage, shelf life and transportation problems. If sufficient freezer space is available, frozen foods are a good alternative nutritionally to fresh produce.

II. Nutrition Education in the Food Distribution Program

Nutrition Education needs to be an integral and required component of the FDPIR. In the beginning of the FDPIR, foods available to participants were not those commonly used. Extensive food demonstrations and other nutrition education ensured that these foods were used and generally accepted. However, USDA asserts that the foods available currently are, when prepared correctly, part of a diet that meets acceptable guidelines. Food preparation techniques such as rinsing excess salt from canned meats and vegetables and low fat preparation of already high fat foods has been recommended to assure foods meet standards. However, without nutrition education, participants are unlikely to understand how to best prepare foods to promote optimal health.

Recommendations

It is recommended that the FDPIR include requirements for nutrition education on food preparation and appropriate food choices in the administration of the program. The Indian Health Service (IHS) should be required to be available to train and monitor these activities. The Women, Infants and Children Program (WIC) is currently the only program that mandates nutrition education and the percentage of administrative funds that will be spent on nutrition education. This requirement has ensured that the nutrition education component of the WIC program remains strong. Tribal staff could enter into agreements for training and technical assistance with various programs, including IHS. An agreement was developed in August of 1987 between IHS and FNS that should facilitate this process.

III. Special Needs of FDPIR Clients

Many Indian people have special dietary needs that cannot be completely fulfilled by the foods provided in the FDPIR. Food Stamps provide a much smaller amount of foods to participants than does the FDPIR due to differences in rules and purchasing power.

Recommendations

The special food needs of Indian people served by the FDPIR need to be accommodated. Common health problems requiring special diets include diabetes and hypertension. This could be accomplished by one of the following solutions. A blend of food stamps and FDPIR products should be considered for those individuals whose diet precludes the use of certain FDPIR products. A special food package could be available for those clients needing it. Resolution of this is especially critical for small families who, by virtue of size, cannot now resolve this by different members participating in each program. Nutrition education is most critically needed to provide adequate services to those participants with special dietary needs.

THE NAVAJO NATION

LEONARD HASKIE
INTERIM CHAIRMAN
THE NAVAJO TRIBAL COUNCIL

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STATEMENT OF THE NAVAJO NATION BY THE DIVISION OF NATURAL RESOURCES BEFORE THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS AND THE SENATE AGRICULTURE COMMITTEE

1990 FARMS BILL INDIAN AGRICULTURE ISSUES JOINT HEARING

February 20, 1990

On behalf of the Navajo Nation, the Navajo Division of Natural Resources is grateful for the opportunity to discuss some agricultural issues and concerns confronting the Tribe. Indian agriculture has always been the mainstay of Indian livelihood. We appreciate the interest the Senate Select Committee on Indian Affairs and the Senate Agriculture Committee has in this vital issue. Your Committees realize the issues and concerns which limit or prevent Indian tribes from obtaining full benefits from agricultural programs that are available to them through various agencies. Often governmental regulations hinder, delay, or damage the agricultural economy of Indian nations. Agriculture is a vital part of the Navajo tradition, livelihood, economy, and religion.

The Navajo Nation is the largest populated tribes in North America. With approximately 200,000 members, the Navajo Nation covers more than 25,000 square miles in portions of Arizona, New Mexico, and Utah. The land is situated in the semi arid region of the Southwest, ranging from 4,000 to 7,000 feet in elevation. The Navajo reservation is comprised of valleys, mountains and hills. The San Juan River and the Colorado River border the northern section of the reservation. A majority of the Navajo people reside in rural areas and provide for themselves with farming and ranching. The reservation has an unemployment rate of more than 30% with an annual per capita income estimated at $4,334.

DROUGHT PROGRAMS

The dramatic effects of drought in the Southwest for the last two seasons has dealt a significant impact on the economy and livelihood of Navajo farmers and ranchers. The drought has prevented Navajo farmers, who depend on precipitation, from harvesting their crops. Because they are not large, Navajo farms are usually considered as gardens rather than commercial farms; therefore, Navajo farmers do not qualify for federal assistance. The federal government should alter its program to provide assistance to these farmers who have no other means of subsistance to supplement their income.

Due to the severe drought, Navajo ranchers seeking relief have also found themselves in similar situations. The United States Department of Agriculture (USDA) has implemented the Emergency Feed Program (EFP). This program is administered through the Country Agriculture Stabilization Conservation Service Program (ASCS). Most Navajo ranchers, however, are not eligible for this program because they did not keep adequate records of their livestocks, expense records, and other documents required to process the cost reimbursement. Often times these ranchers have found that the forms were too complicated to fill out. These forms need to be simplified so that all participants will be able to understand and complete the form.

The Indian Accute Distress Donated Feed Program (IADDFP), administered by the Bureau of Indian Affairs (BIA) , also provides drought relief for Indian tribes. The Navajo tribe submitted its IADDFP application to the Navajo BIA Area Office in July 1989. The Agricultural Stabilization and Conservation Service (ASCS), under the United States Department of Agriculture (USDA), is reviewing the application. Presently, the Navajo Nation is working with representatives of the BIA in an attempt to achieve the purpose of the IADDFP which is to assist Indian farmers in their time of need.

CONSERVATION PROGRAM

The Navajo tribe has a ritual and spiritual attachment to its land and natural resources. There is a long standing commitment by the Navajo tribe to conservation, protect and reserve the natural resources that still exist on its lands. This commitment links together the cultural, tradition and religion of the Tribe as it shows respect for the environment.

The United States Department of Agriculture (USDA), the Bureau of Reclamation (BOR) and the Bureau of Indian Affairs (BIA) provide several conservation programs such as erosion control, water harvesting, noxious weed brush control, and the building of earthen dams. These programs, however, are sometimes not made readily available to Indian tribes. Due to federal guideline policies and regulations, these projects are prevented from being implemented on the Navajo reservation. Regulations need to be changed to make these conservation programs accessible to the Tribe and funding increased so that these projects become more viable and productive on the reservation.

Other concerns include the lack of government to government relationship between the Navajo Nation and the State and Federal governments. Usually Navajo ranchers and farmers are forced to deal with State and County committees that are often openly hostile, bias, and partial when committing projects.

Another factor which contributes to the lack of conservation on the Navajo reservation is the open range concept imposed by the BIA. This concept, coupled with the tribal grazing permit system, discourages range conservation and does not allow for management of reservation range resources. Until this system is changed, the Navajo tribe will continue to lack conservation practices. Also, in order to effectively control reservation range resources, more funds are needed to provide fencing for tribal range units and for the development of management units that will encourage soil, water, and range conservation practice.

Our recommendation is to establish a tribal conservation office on the Navajo reservation which will allow for long term management and conservation of Navajo natural resources. This office should directly receive state conservation funding and should ensure that conservation plans are consistent with the goals and agricultural activities of the Navajo Nation. The conservation office will also solicit tribal input into state and federal regulations governing conservation programs and projects.

Another recommendations is to extend state conservation reserve programs to target Navajo lands because the Tribe has been prevented from participating in

USDA programs due to incompatible BIA and USDA regulations. We would also recommend establishing conservation districts on Navajo land to specifically provide services to the Navajo people.

EDUCATION IN AGRICULTURE AND NATURAL RESOURCES

Lack of education and awareness in the areas of agriculture and natural resources is long overdue. Too many times various programs and projects have been introduced to Navajo farmers and ranchers without very much success. This failure is a result of advancing too much technology upon individuals who do not have the necessary training required to successfully implement such programs.

In order to provide such training, pilot projects need to be established at regional community colleges such as the Navajo Community College. Technical programs in agriculture and natural resources management should be instituted with the assistance of USDA educational programs and with universities which provide extension services such as the Arizona State University and the New Mexico State University. This support will assist in creating and monitoring a successful agriculture enterprise, assessing sources of commercial credit, and in developing markets and other agriculture related fields of interest to the rural community.

The development of more seminars and training programs in conservation and range management through existing programs is also recommended.

A percentage of the BIA Scholarship fund, under the BIA Agricultural-Range Program, should also be set aside for Navajo students to complete degrees in the renewable natural resources services.

The Navajo Nation again expresses its appreciation for the opportunity to comment on this proposed legislation. We hope that these comments will be of help to the Congress in assessing the merits of the 1990 Farm Bill and we look forward to working with you and your staff to resolve any outstanding issues.

Thank you.

TESTIMONY OF THE SOUTHWEST INDIAN AGRICULTURE ASSOCIATION BEFORE THE SENATE SELECT COMMITTEE ON INDIAN AFFAIRS AND THE SENATE AGRICULTURE COMMITTEE

1990 Farm Bill - Indian Agriculture Issues
Joint Hearing
February 20, 1990

The Southwest Indian Agriculture Association ("Association") appreciates the opportunity to present its views about the 1990 Farm Bill, Indian agriculture and to identify issues and problems that face individual and tribal farms and ranchers in Indian country in the Southwest. The Association is glad to be able to address both the Senate Select Committee on Indian Affairs and the Senate Agriculture Committee. The Farm Bill establishes the long-term policy direction for many of the Department of Agriculture's programs which in turn affect farms and the agriculture economy. The matters discussed in our testimony also are critical to the long-term viability of both Indian tribes and Indian agriculture. Problems that delay, hinder, harm or damage the Indian agriculture have direct and severe impacts on governmental services, quality of life for tribal members, the local economy and government operations of Indian tribes. The Association would like to commend the members of the Committees for recognizing the need to obtain input from the Indian agriculture community at the development stages of the 1990 Farm Bill and their desire to address critical problem areas facing Indian agriculture, both governmental and individual problems.

The Southwest Indian Agricultural Association comprises tribes, individual Native Americans, agriculture associates and agricultural corporations from 16 participating tribes in Arizona, California, New Mexico and Nevada. We are governed by a Board of Directors elected from each of the four membership categories. The Southwest Indian Agriculture Association was formed in 1988 to provide a forum to bring people together with information and data to help recognize and resolve problems and to share solutions that have resulted in success for Indian agriculture. The Association has taken the responsibility to help members and related individuals understand the uniqueness of the many facets of agriculture on reservations in the southwest. At the same time, the Association unites on common issues to help overcome the problems or at least to make everyone, from individuals in the local communities in the southwest all the way to policy and decision makers in Washington, D.C., aware of the problems for Indian agriculture and their solutions.

Scope of Indian Agriculture

Before detailing the specific issues of concern to the Association, it is important to describe the scope of Indian agriculture. As the Committees, Congress, federal agencies and tribes consider issues pertaining to Indian agriculture, all parties must understand the scope and complexity of Indian agriculture. Failure to appreciate the extent of Indian agriculture and its complexity may result in counterproductive or inconsistent actions. An understanding of Indian agriculture will lead to coordinated, long-term solutions to the issues confronting Indian agriculture in the twentieth and twenty-first centuries. Indian agriculture is not just individual Indians cultivating a small plot of land to provide for subsistence needs of their family. Indian agriculture is tribal farms comprising thousands of acres and generating millions of dollars to support governmental operations and services. Indian agriculture is individual Indians farming hundreds of acres to provide income, food, education, clothes, medicines and other necessities for their nuclear and extended families. Indian agriculture is thousands of lessees of reservation lands across the country where lease payments support the local economy and generate resources for Tribal governmental operations. Indian agriculture is the lifeblood of many rural communities in this country by generating jobs, spawning support industries and providing governmental services. Indian agriculture is banks and other financial institutions which provide funds in the local economy through financing of agricultural production. Indian agriculture is the buyers, brokers, and consumers which rely on the agriculture products produced on Indian reservations. Indian agriculture is the irrigation system and other infrastructure which supports agricultural operations. Any action taken to address a problem within one segment of Indian agriculture must be considered in light of the beneficial and detrimental effects which will occur in other segments of Indian agriculture.

Due to water constraints agriculture in the southwest will in the future be more and more concentrated on reservations. The time to begin addressing the needs of agriculture on reservations is now. Any further delay increases the likelihood of severe dislocations in the western agriculture economy of this country in the future. Meeting the needs of Indians agriculture is not only important to Tribes, but to the entire food production and distribution systems of this country.

Development of Indian agriculture will require a cooperative effort among tribes, the private sector, Congressional and federal agencies. While the issues are complex and vary in degree from tribe to tribe and region to region in this country, the Association believes there are issues of common concern. If properly addressed, these areas of common concern will provide individual tribes a framework for realizing the full potential of their agriculture lands. The Association will address several key areas of concern, conservation, farm credit, extension services, consumer issues, and federal agency responsibility in Indian agriculture.

Conservation Programs

Our members have had a long-standing commitment to protection of its natural resources. This commitment stems from both cultural and pragmatic sources. The cultures and religions of our members place great value on respect for and protection of the earth. With this commitment to protection as a backdrop, the Association would like to discuss problems with the existing agriculture conservation programs and their implementation in Indian country in the Southwest.

The first program of concern to the Association is the implementation of the "Sodbuster" program on our reservations. As you are aware, Indian tribes were instrumental in passing legislation in the last session of Congress amending the Food Security Act of 1985 to prevent innocent landowners from being penalized by actions of their lessees. Indian tribes are facing a similar problem with the Sodbuster program. Indian tribal farming ventures are subject to non-compliance actions for the actions of tenants over whom they have limited control. The Association agrees tribal farming ventures would be penalized if they are out of compliance with the requirements of the conservation programs. They should not, however, be penalized for the actions of others. The proposed 1990 Farm Bill needs to include language recognizing and requiring the Department of Agriculture to recognize the unique status of Indian tribes. The Department's attempts to fit Tribal governments into its standard classifications of agriculture entities continues to place unequal burdens on Indian Agriculture.

The Association will discuss the general issue of the Department's treatment of Indian tribes later in our testimony. The problem of penalizing the innocent tribal landlord also occurs in the Resource Conservation and Development Program, and potentially in the Payment Limitation Program.

The Conservation Compliance Program can create special problems for Indian tribes. In addition to the conservation plans required by the 1985 Act and developed by the Soil Conservation Service ("SCS"), the Bureau of Indian Affairs ("BIA") also has responsibilities for conservation of agriculture lands on the Reservation,. While SCS and BIA personnel are generally in agreement on the conservation activities to be undertaken, there have been times in the past and will be in the future where the requirements imposed by each entity are in conflict. This results in non-compliance and potential default for Indian tribal farming ventures, individual Indians, or lessees because the requirements of both regulators cannot be satisfied. In addition, the personnel responsible for developing specific conservation plans are subject to change on a frequent basis. Therefore, long-range management and protection of the resource is impossible. In addition, there is no coordination of the requirements for these plans, which creates problems when they interact with lease requirements.

The Association urges Congress in the Farm Bill to provide for development of tribal conservation offices which allow for the long-term management of the natural resources and their protection. Tribal conservation offices will ensure the conservation plans are consistent with the Association's long-range goals for its agricultural activities, not just meeting minimum federal requirements. They will also provide for uniform and coordinated conservation practices for all our lands, including those which are not in agriculture production. Provisions must be included for recognition of the these plans for federal compliance purposes. With over 100,000 acres in production or susceptible of cultivation, long-term management and protection of land is a major undertaking by the Association. The Association needs to be provided with the tools to develop such long-term plans. This will require short-term funding to implement a management structure which will be self-sustaining over the long-term and provide improved conservation practices.

The Food Security Act of 1985 established the Conservation Reserve Program to retire highly erodible land from crop production. For our Association, this program has little or no application. The program requires the planting of cover crops or trees on the land placed in the program. The natural terrain in the southwest is desert, composed of dirt, rocks and desert plants. The natural protection against erosion is "desert pavement" a surface build-up of larger stones which are less subject to wind or water erosion forming a crust on the land. Due to the lack of rainfall, the cost of planting a cover crop or trees is prohibitive and makes program implementation impractical and could create adverse environmental impacts. If Congress is concerned about implementation of this program in the Southwest, the program requirements must be modified to take into account the actual land composition, and costs of maintenance

Farm Credit

Available sources of capital are crucial to the development of any economy. Development needs of the Indian agricultural economy on reservations are no different. What is different, however, is that Indian agriculture must operate under constraints not found elsewhere. When an entity considers extending funds for agriculture it will look at factors such as the experience and history of the producer, the condition of the land, the prospective commodities to be produced and the availability of security for its funds in the event the undertaking is not successful. For non-Indian producers, these factors are generally met quite easily. In contrast, for Indian agriculture it often develops that one or more of these factors prevent capital from being invested or loaned to finance an Indian agriculture enterprise.

Only recently have some tribes moved from merely leasing their lands to conducting agriculture operations for their own account. Vertical integration of an agricultural economy is beneficial by increasing revenues and reduce risks. To expand activities into actual operations, capital is needed. Because of the lack of a track record, or lack of a credit history, tribes are often unable to obtain capital. In those instances where capital is available, the cost of the capital may make the operation impractical. For example, a tribe or individual may need to borrow $300,000 to finance the necessary equipment to operate its farm. When the tribe approaches a lender, it is informed the money can be loaned if, in addition to providing the equipment or possibly the other assets of the enterprise as collateral, a deposit of $300,000 is placed with the institution. In most cases the tribe or individual Indians either do not have the $300,000 or are unwilling to jeopardize the provision of governmental services to obtain the capital.

The Committee members are probably wondering why tribes do not utilize the direct loan or loan guarantee programs through the Bureau of Indian Affairs? The direct loan program is utilized primarily for non-agricultural economic development, and is underfunded for agriculture development. Use of the loan guarantee program is limited because lenders do not necessarily consider a loan guarantee an inducement to invest in the Reservation due to the difficulty and hassle in ultimately claiming against the loan guarantee.

Many lenders in the non-Indian context, when lending for agricultural operations, look at their ability to obtain the land in the event of default as an important factor in securing their loans. Given the unique nature of the trust status of lands on reservations, many lenders are leery of providing capital for agriculture operations. While the Association is strongly opposed to altering the status of the land or any option which would present the possibility Indian lands would be lost, the Association just as strongly believes mechanisms need to be developed to deal with lenders' concerns. An individual lender may not deem it cost effective to develop suitable financing vehicles. The Association would suggest, however, just as the Federal Home Loan Mortgage Corporation has developed standard financing documents which facilitate home financing, efforts should be made to develop standards for financing of agriculture on reservations. This standardization would address the concerns of lenders and tribes, and would have the additional benefit of hopefully creating a secondary market, thereby increasing the availability of funds for Indian agriculture.

A major area of concern to the Association is the lurking problem involving existing financing on the reservation. Many large banks and other financing institutions make loans to large farming entities on the reservations. This is done on many occasions without the bank every inquiring into the application of commercial transactions law to the reservation. If one of the farming entities ever defaults, such a bank will find itself without a priority claim which it assumed existed, or possibly even an uncollectible debt. Every time one of these cases arises, the public relations problems concerning financing on reservations takes several years to overcome. Failure to address the issues of financing on reservations will forever regulate tribes to a back seat in the commercial arena, agriculture or otherwise.

The Association urges the Congress as it considers the Farm Bill to look at creative approaches to farm credit. The Committees may want to look at state programs, such as the low cost loan program implemented by the State of Ohio, as examples of ways to improve farm credit.

Tribes avail themselves of farm subsidies because it is one of the only ways to operate a viable agriculture economy. The Association would prefer to see Congress create an irrigation development bank which would provide loans for land development which would be secured by market rate leases. Instead of tribes and their members having to enter into low income development leases, they could develop the land and lease it at market rates, thus paying off the loan and increasing the return from the lands. The present system of development leases is like an apartment owner having to rely on its tenants to install the plumbing and electrical wiring. The result is lost revenues to the tribes and individual members and a potentially patchwork agriculture system requiring additional capital expenditures in the future.

Water Conservation

Water is the life-blood of the reservations in the southwest. The future of the Indian agriculture depends on its ability to protect and put to use its water resources. The Association is interested in exploring ways to conserve water and, thus, to maximize its use. One major factor hindering water conservation is incomplete irrigation system. Therefore, the efficiencies which could be achieved by operating and managing the entire system which was designed are unattainable. Other measures to assist in water conservation such as canal lining and metering systems are capital intensive. As Congress considers water conservation issues in the Farm Bill, it must not repeat the mistakes of the past and develop or improve all non-Indian irrigation systems prior to consideration of Indian irrigation systems. This only allows the use of Indian water for free because the Indian system has not been developed. The Association reminds the Committees as they consider water conservation incentives of the obligations the United States agreed to when it entered into treaties and established reservations, and urges the Congress to begin to fulfill those obligations. The Association's members have invested substantial amounts in their irrigation systems which they bargained for with the United States, the United States should fulfill its promise.

Extension Services

Historically, the Extension Service was more intimately involved with on-farm operations. For years, farmers went to the Extension Agent with all of their farm operation problems. In recent times, there is increased focus on research at universities and their research fields. This research, being centrally conducted in most cases, does not necessarily benefit Indian farming operations located in remote areas. Field research facilities are located in central Arizona and some reservations are located in remote areas of the state. Furthermore, local extension agents must spend a large segment of their time with 4-H programs and hobby farmers rather than providing assistance to the farmer relying on agriculture for his livelihood. This is not to indicate the 4-H programs are not valuable and beneficial.

Southwest Indian Agricultural Association
Joint Indian Agriculture Hearing
February 20, 1990

The Association would like to see an agriculture research stations established on reservations. The Association's members are interested in researching new economical agricultural production methods which encourage crop diversity, rotation, and cultivation to control plant diseases, insects and weeds while reducing the environmental impacts on the land. With assistance, the Association could develop additional new management practices. Reservation specific research needs to begin now to ensure this country has quality agriculture lands with low environmental impacts to feed this country in the future.

Federal Agencies:

Bureau of Indian Affairs

Indian agriculture is further hindered from developing its full potential by the additional federal restrictions under which it must operate. The leasing of trust lands on Indian reservations is highly regulated by the United States through the Secretary of the Interior and the Bureau of Indian Affairs. Title 25 of the United States Code provides numerous provisions governing the leasing of lands for agricultural purposes on Indian reservations. In addition, specific leasing requirements for individual reservations have been enacted by Congress. Title 25 of the Code of Federal Regulations provides for the regulation of all aspects of leasing of Indian lands from solicitation of bids through lease cancellation. The BIA regulations were designed to protect the interests of the Indians in fulfillment of the federal government's trust responsibility. In practice, however, the regulations can hinder the development of Indian agriculture.

The Association places great importance on protecting the rights of those who engage in agriculture on reservations, but those rights should be placed in context with protecting the tribal resources. The Association suggests the lessee's rights can be protected without necessarily leaving a violator in possession and without having up to four or five separate internal administrative appeals prior to final action on a lease violation. A tribe should be provided the ability to cancel its own leases for violations of lease terms, provided the tribe affords the lessees appropriate due process under the Indian Civil Rights Act. The fair treatment of lessees by the tribe will further increase the willingness of private industry to invest capital on reservations.

Moreover, the Association believes that a significant issue exists as to the appropriate lease term. For example, a ten-year limit while facially prudent, may actually harm the land in the long run. The lessee may not have the incentive because of the short lease term to provide for proper maintenance of the land. Thus, the Association believes there should be flexibility in its leasing program to ensure that the lease term can be adjusted in the interest of best agriculture management practices.

Department of Agriculture

The Association's members have gradually developed their knowledge and become more sophisticated in their agriculture activities. In their operations, the Association's members have, like any other farmer in the United States, attempted to participate in and comply with the agriculture laws and regulations implemented by the Department of Agriculture ("USDA") for farming programs on their lands. For years, Indian agriculture has been encouraged to benefit from the federal agriculture programs. As the Association has undertaken to learn about and educate its members about the various programs, it has continually found most programs are not administered in a manner which acknowledges the unique status of tribes, and in several instances requires tribes to assume undue risks should they decide to participate in the programs. Because the federal laws and regulations in most cases were not promulgated with Indian tribes and reservation lands in mind, when tribes elect to participate in the programs USDA is left trying to fit a square peg into a round hole. A tribe is dissimilar from all of the general types of entities which are covered by the agriculture laws. It is not a joint venture, partnership, corporation, association or individual. A tribe is a sovereign government which may have attributes similar to the various types of entities mentioned, but does not fit the description of any of the entities. This results in some unique hardships for Indian agriculture which can put it at a disadvantage to non-Indian agriculture.

In the last session of Congress, the Association was instrumental in the passage of Public Law No. 101-217, a law to clarify the Food Security Act of 1985. This legislation made it clear that Congress, in enacting the Farm Bill, did not intend to penalize innocent landowners for the actions of its lessees. This legislation was originally introduced and went forward to correct the severe and unreasonable effects of the Department of Agriculture's interpretation of the 1985 Farm Bill provisions on Indian Tribes. Because an Indian tribal government and its relationship to its members is not the same as a corporation, joint venture, partnership or other type of entity recognized by the Department of Agriculture, the Department's attempt to force tribes and their members into these categories creates unduly harsh results for tribes. Only in the last days of this effort was it decided to correct this unjust result for all farmers. The Department's position in the past has been that it cannot remedy these results without specific action from Congress.

Several Department regulations pertaining to programs, such as Sodbuster and the Resource Conservation and Development program, provide that if a lessee is out of compliance with the regulations, then not only is the lessee penalized but so is the tribe. The type of abuse which the regulations seek to curtail result from the close nexus and control that are anticipated between lessee and lessor. In the tribal context, this not only does not exist, but in practical terms it cannot exist. As indicated above, the BIA administers regulations which comprehensively cover leasing of Indian lands.

Even if a tribe, within the framework of the BIA regulations, required detailed submission of materials and monitoring to ensure that none of its lessees ever ran afoul of the Department's regulations, even in a small technical detail, another factor operates against such a monitoring procedure. The tribes and their lessees in most cases are competitors. Assuming that it were feasible for a tribe to require detailed information from its lessees to ensure compliance with USDA regulations, ensuring compliance would be a nightmare for tribes and possibly even a violation of federal antitrust laws. Moreover, most lease compliance for Indian leases is performed by the BIA. The recent investigations by the Senate Select Committee on Indian Affairs illustrated that the BIA is having a difficult, if not impossible, time trying to monitor the existing leasing program, without any additional burdens being placed on an already overtaxed system. The numbers and expertise of compliance officers is severely limited. Unlike the situation of the non-Indian lessor monitoring a given lessee, each tribe may lease out tens of thousands of acres of land to hundreds of separate lessees. The ability to constantly monitor the internal activities of these lessees would be an administrative and fiscal nightmare.

In addition, tribal members, which the Department continues to insist are on and the same with the tribe, may own land separately or lease land on the same basis as non-Indian lessees. The Indian Civil Rights Act of 1968 places limitations on a tribe's ability to interfere with these property interests. The Department insists, however, that a tribe is subject to non-compliance activities for the actions of these lessees and tribal members.

Moreover, tribes cannot afford to wait until USDA determines there is a violation to take action. USDA may discover a violation two years after the violation has occurred, combine the lessee with the tribe, and require reimbursement of the funds paid to a tribe. This is at a point in time when the funds have been expended by a tribe for governmental services. Very few, if any, tribes have the resources to set-aside funds for such a contingent liability. In addition, if a tribe were able to discover a violation by a lessee of the payment limitation regulation during the current growing season, enforcement to ensure compliance cannot be accomplished in a timely fashion. The alternatives for a tribe to ensure compliance are court action, which is inordinately expensive and time-consuming, or lease cancellation, which has its own problems as discussed previously. For many tribes, non-compliance by a lessee could mean the loss of several million dollars. In addition, this example highlights the failure of federal agencies, which have a responsibility to fulfill the trust responsibility to tribes, to promulgate rules for Indian agriculture which do not cancel out the rules promulgated by their sister agencies.

The Association strongly urges Congress as it drafts the 1990 Farm Bill to provide direction to the Department of Agriculture concerning the nature of Indian tribal farming ventures. The language in the legislation must be clear and specific because it has been this Association's experience that the Department will interpret such language extremely narrowly. The Association's staff is knowledgeable in this area and available to work closely with your staffs in developing such language.

Conclusion

Indian Agriculture is complex and the solutions to its problems will require thorough investigation, creativity and foresight. This should not deter the Committee or Congress from proceeding expeditiously to address the concerns of tribes. Indian agriculture is the lifeblood of many reservation communities. The 1990 Farm Bill will provide direction for agriculture programs for the next several years. The Association urges Congress to address the concerns of Indian tribes in the draft legislation. This will allow Indian tribes to finally participate and benefit from the federal government's agriculture programs.

The Association is available to assist the Committee and its staff in addressing these important issues of concern to Indian agriculture. The Association appreciates the opportunity to present its views.

ritha\1990swte

I am writing to go on record with written testimony for the Senate Indian Affairs Committee regarding USDA nutrition programs. I am the Director of the Southern Ute Head Start Program in Ignacio, Colorado.

Currently, we participate in the USDA Child Care Food Program. Overall the administration of the program at the state level has been efficient over the 2 1/2 years I have been director of this program.

However, we have one concern. Since, commodities were discontinued in September 1989, our food costs have gone up sharply. This has put pressure on our overall Head Start budget with no corresponding increases from USDA or ACYF to compensate.

In spite of repeated requests for adequate funding the following are true in our program:

1. Over 80% of Head Start employees work for less than $10,000/year (poverty wages for family of three).
2. Five out of six vehicles are over eight years old.

In order to avoid cutting services to Head Start children and families, would it be possible to restore commodity distribution or increase the cash reimbursements accordlingly?

Adequate nutrition is vital to Head Start children.

Thanks you for listening.

Sincerely,

Cheryl D. Clay

Cheryl D. Clay
Director

AGREEMENT IN PRINCIPLE
BETWEEN
U.S. DEPARTMENT OF THE INTERIOR
AND
U.S. DEPARTMENT OF AGRICULTURE

The U.S. Government is the trustee of most American Indian lands and maintains a government-to-government relationship with Indian tribes. The U.S. Department of the Interior (USDI) and the U.S. Department of Agriculture (USDA) have a common objective of helping to promote the highest and best use of trust lands.

The USDI is the lead agency of the Federal Government for the administration and protection of Indian trust land and resources and the enforcement of treaties, laws, and regulations pertaining to the welfare of American Indians. The agency is also responsible for implementing self-determination policies for these groups.

The USDA is the lead agency of the Federal Government for providing effective and efficient coordination of Federal agricultural and rural development programs. In providing its services, USDA recognizes its responsibilities with regard to American Indians. USDA recognizes that these entities possess the right to exist as separate governments, with authority to govern themselves and manage their resources.

USDI and USDA, in recognition of their respective responsibilities, enter into this agreement as a foundation for their endeavors in promoting the objectives of meeting the needs of American Indians. Through this agreement, USDI and USDA will work in partnership to improve the delivery of programs and services to better meet the needs of American Indians.

Donald Paul Hodel
Secretary of the Interior

January 14, 1988
Date

Richard E. Lyng
Secretary of Agriculture

January 20, 1988
Date

United States
Department of
Agriculture

Soil
Conservation
Service

Agricultural
Stabilization and
Conservation
Service

United States
Department of the
Interior

Bureau of
Indian
Affairs

MAY 9 1988

SUBJECT: Memorandum of Understanding Between Department of the Interior (USDI) Bureau of Indian Affairs (BIA); Department of Agriculture (USDA) Agricultural Stabilization and Conservation Service (ASCS); and Department of Agriculture Soil Conservation Service (SCS)

TO:
USDA-SCS State Conservationists
USDA-ASCS State Directors
USDI-BIA Area Directors

The enclosed Memorandum of Understanding (MOU) is the culmination of a concerted effort to bring about the wise use of natural resources on Indian lands and the treatment of each area in accordance with its needs for protection and improvement. The MOU (1) will provide a foundation for improving the three agencies' relationship and coordinating efforts to plan and implement applicable USDA conservation programs on Indian lands, (2) recognizes the lead role and jurisdictional responsibility of the USDI-BIA in the Federal Government-Indian trust relationship, and (3) does not reduce the need for or importance of BIA staff Agriculture Specialists in the exercise of trust management responsibilities but, rather, greatly expands the availability of USDA specialists to assist Indians in planning and managing natural resources and the utilization of USDA programs.

In order to achieve nationally, the goals, objectives and mission set forth in the MOU, the three agencies (BIA Area Directors, ASCS State Directors and SCS State Conservationists) agree to set up meetings to establish the communications process. We recommend that the BIA Area Directors take the lead in this effort because their jurisdictional boundaries encompass multiple states. In order for the national offices to monitor the progress being generated by the implementation of this MOU, we request that you provide us with a copy of the minutes of each meeting.

Any questions you may have concerning the MOU should be addressed to any of the following persons:

1. H. B. Simpson, Soil Conservationist, BIA, NHQ, Washington, D.C., (202) 343-3598.
2. James McMullen, Director, Conservation and Environmental Protection Division, ASCS, NHQ, Washington, D.C., (202) 447-6221.
3. Willie Ruffin, Soil Conservationist, SCS, NHQ, Washington, D.C., (202) 382-1840.

Marshall M. Cutsforth
USDI - Deputy to the Assistant Secretary
Indian Affairs (BIA) (Trust and Economic Development)

Milt Hertz
USDA - Administrator, Agricultural
Stabilization and Conservation Service

USDA - Chief, Soil Conservation Service

Enclosure

MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS (BIA)
AND
UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE (ASCS)
AND
UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)
SOIL CONSERVATION SERVICE (SCS)
RELATIVE TO
PLANNING AND IMPLEMENTING USDA CONSERVATION PROGRAMS ON INDIAN LANDS

Purpose

The Bureau of Indian Affairs, the Agricultural Stabilization and Conservation Service, and the Soil Conservation Service have a common objective of managing and conserving natural resources. They, therefore, enter into this Memorandum of Understanding (MOU) for the coordination, planning and implementation of USDA conservation programs on Indian lands. This MOU identifies the respective Federal responsibilities that must be coordinated. It also recognizes the role of Indian and Indian tribes as landowners, land users and as governmental entities having basic authorities and responsibilities for the development and administration of natural resource programs on Indian lands.

A. Definitions for the purposes of this MOU:

1. "ASCS" means the Agricultural Stabilization and Conservation Service.
2. "BIA" means the Bureau of Indian Affairs.
3. "Conservation District" (CD) means a subdivision of a state or other unit of government organized pursuant to the applicable state or tribal law for the purpose of soil and water resources conservation.
4. "Conservation Plan" means the written document describing the conservation practice(s) which will be or has been established to control erosion.
5. "Indian" means a person who is a member of an Indian tribe, band, nation, or other group which is recognized as an Indian tribe by the Secretary of the Interior. Such term also includes any member of a Native Village Corporation, Regional Corporation, or Native Group established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.).

6. "Indian lands" means all lands held in trust by the United States for an Indian tribe or individual Indians.

7. "SCS" means the Soil Conservation Service.

8. "ACP" means the Agricultural Conservation Program available to provide financial assistance to eligible producers to share the cost of pollution abatement and soil, water and forestry conservation practices.

B. SCS will:

1. Provide technical assistance to Indian landowners or users who are cooperators of a conservation district (CD). The SCS will also provide technical assistance to other Indian landowners and/or land users to facilitate participation in USDA programs for which the individuals or groups are eligible.

2. Provide technical assistance for USDA program work on Indian lands.

3. Make copies of Field Office Technical Guides available to BIA area offices for distribution to Indians and Indian tribes.

4. Advise BIA of available natural resource conservation programs and training.

5. Perform spot checks and status reviews jointly with BIA staff on ACP practices on a scheduled basis in accordance with SCS policy.

6. Provide technical assistance to the BIA upon their request, subject to the availability of SCS personnel.

7. Approve or disapprove conservation plans for the production of agricultural commodities on Indian lands that are not within a conservation district boundary for the purpose of complying with Title XII of the Food Security Act of 1985 (16 U.S.C 3801 et seq.).

C. BIA will:

1. Provide technical assistance, as agreed on by SCS, BIA and ASCS, to make need and feasibility determinations for ACP cost-share assistance on Indian lands.

2. Assist Indians in developing conservation plans that will outline land treatment and management required to protect natural resources and comply with USDA regulations.

3. Perform surveys and investigations, prepare designs and conservation practice layouts that meet the specifications of the SCS Field Office Technical Guides, and certify completion of practice implementation in accordance with requirements for USDA technical and financial assistance.

4. Maintain complete files of all supporting computations, design data, construction specifications and completion inspections.

5. Accompany and assist SCS personnel in performing spot checks on ACP practices on a regularly scheduled basis established by the SCS.

6. Accompany ASCS personnel in performing compliance checks during the life span of practices installed with ACP cost-share funds.

7. Advise SCS of existing programs and amendments, and request available training.

D. ASCS will:

1. Accept eligible applications for USDA program participation and maintain a record of referrals for projects on Indian lands.

2. Transmit completed applications, as necessary, to the appropriate SCS District Conservationist and BIA offices.

3. Make monetary payments to program participants with approved applications in a timely manner.

4. Perform maintenance compliance checks during the lifespan of the practices installed with ACP cost-share funds.

5. Advise BIA personnel of available programs and training.

6. Advise BIA and Indian landowners and land users of ASCS programs, notices of committee elections and other special events.

E. It is mutually agreed that:

1. This MOU shall become effective when signed by the parties hereto and shall continue in effect until thirty (30) days after a written notice of the desire of any party to terminate is served upon all signatory parties.

2. BIA, SCS and ASCS will jointly review this MOU periodically to determine if changes are needed to meet current policy, laws, regulations and arrangements.

3. This MOU may be modified at any time by mutual consent of the signatory parties.

4. This MOU is not a fiscal or a funds obligating document. Any activity involving reimbursement or transfer of funds among the signatory parties will be handled in accordance with normal financial procedures and will be the subject of an appropriate supplemental agreement.

5. None of the provisions of this MOU shall affect other programs and activities carried out by BIA, ASCS, SCS and Conservation Districts.

6. The BIA has the lead role in the Federal government's Indian trust relationship and in securing consultation with tribes, and this MOU does not change that role.

7. BIA, ASCS, SCS, and Conservation Districts will jointly acknowledge and accept, upon consultation, the conservation plans prepared by each agency.

8. This MOU encourages the development of subsidiary agreements between tribal governments, BIA and state level USDA agency offices.

Approval:

Ross Swimmer

USDI-Assistant Secretary - Bureau of
Indian Affairs

5/19/88
Date

Marshall M. Cutsforth

USDI-Deputy to the Assistant Secretary -
Bureau of Indian Affairs (Trust and
Economic Development)

5/2/88
Date

Wilmer D. Mizell

USDA-Assistant Secretary - Governmental
Affairs

4-11-88
Date

USDA-Chief - Soil Conservation Service

FEB [illegible]
Date

Milt Hertz

USDA-Administrator - Agricultural
Stabilization and Conservation Service

2-12-88
Date

MEMORANDUM OF UNDERSTANDING

BETWEEN

BUREAU OF INDIAN AFFAIRS
UNITED STATES DEPARTMENT OF THE INTERIOR

AND

EXTENSION SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

I. Purpose

The purpose of this Memorandum of Understanding (MOU) is to establish a foundation for coordinating efforts to plan and provide management training, technical assistance and information to Indian tribes, individuals and Indian youth groups on agriculture/range matters. This MOU addresses those responsibilities that must be coordinated and contracted through cost reimbursable agreements between ES and BIA and further through subcontracts or other subagreements with the various States. It also recognizes the role of Indian tribes as landowners and land users and as governmental entities having basic authorities and responsibilities for the development and administration of natural resource programs.

II. Authorities

The Bureau of Indian Affairs (BIA) is responsible for the administration of Indian trust resources and the enforcement of treaties, laws, and regulations pertaining to the affairs and welfare of the American Indian, and is the lead agency for the Secretary of the Interior in fulfilling trust responsibilities and Indian self-determination policies. The responsibility and authority for coordination and integration of management programs pertaining to Indian trust resources rests at all times with the BIA.

Extension Service (ES) engages in cooperative Extension work pursuant to the Smith-Lever Act, as amended (7 U.S.C. 341-349) Section 1444 of the National Agricultural Research, Extension and Teaching Policy Act of 1977 (7 U.S.C. 3221), and the Rural Development Act of 1972, as amended (7 U.S.C. 2651 et. seq.), is recognized as an authority in providing an educational resource for the American public, and is responsible for disseminating agricultural and home economics information and guidance through land-grant universities complying with the requirements of the Smith-Lever Act. These functions are performed through the State Cooperative Extension Services staffs of agricultural and home economics field agents and program leaders in over 3,000 counties in the United States.

III. Background

ES is the educational arm of the USDA and is responsible for carrying out educational programs in cooperation with the State Cooperative Extension Service (State CES) located at each 1862 and the 1890 Land-Grant College, including Tuskegee University. Extension educational programs are conducted in rural and urban communities throughout the United States in such general subject-matter areas as agriculture, home economics, natural resources, community development, and youth programs (4-H). Specific subject-matter areas include food and nutrition, family economics, family living, energy, health, urban gardening, direct marketing, water quality, farm financial management and revitalizing rural America. The ES and the State CES cooperate with State and local governments through Extension offices in almost every county in the Nation. County Extension offices provide direction and assistance in all phases of community and group development and organization. The County Extension staffs serve as face-to-face contact between the people and the education and research facilities at the land-grant universities, the USDA, and other public agencies.

The BIA recognizes that Indian tribes, individual Indian operators and Indian youth groups located throughout the United States are entitled to Extension Service programs; however, in order to provide these services, support is needed by the ES through cooperation with the State CES to assist Indian operators and youth groups.

The BIA and ES have a common objective of helping to enhance the competitiveness and profitability of American agriculture on Indian land and promote the highest and best use of Indian land by Indians.

IV. Definitions

Indian means a person who is a member of a Federally recognized Indian tribe.

Indian Lands means all land held in trust by the United States Government for an Indian tribe or individual Indian(s).

Indian tribe means any Indian tribe, band, nation, or other group which is recognized as an Indian tribe by the Secretary of the Interior. Such term also includes any Native village corporation, regional corporation, and Native group established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et. seq.)

Superintendent means the Bureau of Indian Affairs Agency Superintendent, the Superintendent's representative(s), or other officer of the Bureau of Indian Affairs having immediate administrative responsibility over Indian lands and resources.

V. Responsibilities

A. Pursuant to this MOU, the ES will:

1. Provide leadership, direct assistance and oversight to the State CES in planning, coordinating, conducting, and evaluating extension plans of work with Indians in those States where the BIA has contracts or other arrangements involving the State CES.

2. Consult and advise the State CES in the preparation of plans of work and reports of activities with Indians in keeping with the terms of the individual State arrangements, which the State CES is required to furnish to the Bureau of Indian Affairs through the Bureau's Areas Directors.

3. Provide the BIA copies of field trip reports and other pertinent reports prepared by field agents and program leaders who are assisting the State CES in any way with extension programs and activities with Indians.

4. Submit to the BIA semi-annually an evaluation report of problems, progress and accomplishments covering Indian extension work in the States involved.

5. Through its representatives, including both administrative and program staff members, and representatives of the BIA consult and collaborate with each other to the extent needed and keep each other mutually informed.

6. Advise of and offer to BIA and tribal personnel, available extension training.

B. Pursuant to this MOU, the BIA will:

1. Negotiate and execute all agreements with the ES for providing the Indian citizens with agricultural extension assistance through a State CES.

2. Designate an employee or employees to maintain the necessary liaison and coordination with the ES.

3. Evaluate the utilization and effectiveness of extension programs and services provided to the Indian Tribes.

C. It is Mutually Agreed That:

1. This MOU shall become effective when signed by both agencies.

2. BIA and ES/USDA will jointly review this MOU on an annual basis to determine if changes are needed to meet current policy, laws regulations and arrangements.

3. This MOU may be modified or amended at any time by mutual written agreement of the parties hereto, and it may be terminated by either party after 30 days written notice to the other.

4. This MOU is not a fiscal or funds obligating document. Any activities involving reimbursement or transfer of funds between the parties to this agreement will be handled in accordance with prescribed financial procedures and will be the subject of supplemental agreements that shall be effected in writing by representatives of both parties to this agreement.

5. No member or delegate of Congress or resident commissioner shall be admitted to share any part of this agreement, or to any benefit arising from it.

6. This MOU does not provide a complete frame work of the relationships among the Indian tribes, the BIA and ES; but it does recognize the lead role of the BIA in the Federal-Indian trust relationship and in securing consultation with tribes.

Approval:

Ross O Swimmer
Assistant Secretary - Indian Affairs

6/6/88
Date

acting Administrator - Extension Service

6/13/88
Date